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ABSTRACT

This publication reports the results of a National Student Expense Budget Conference, attended by members from all echelons of the national financial aid community. The conference's purpose was to arrive at definitive positions regarding the components of budgets, the methodology of budget construction and the variables which may properly be considered in such construction. Out of 10 working committees, six addressed the problems of defined student types: disadvantaged, nontraditional, graduate and professional, part-time, undergraduate and career school. Within these committees, the conferees developed parameters for the different budget components as those components related to the specific student type under consideration by the committee. Two of the other committees addressed subjects having direct bearing on student budgets: Economic Standards Within Student Budgets and Methodology for Data Collection. The last two dealt with the administration of financial aid: Budgeting Federal Student Financial Aid Dollars and A Method for Training Personnel in the Preparation of Student Budgets. (Author/BP)

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A HANDBOOK FOR USE IN THE PREPARATION OF STUDENT EXPENSE BUDGETS

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Director Financial Aids

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Stillwater, Oklahoma

Proceedings of the
National Student Expense Budget Conference
Co-Sponsored by
The National Association of Student
Financial Aid Administrators
and
The Midwest Association of Student
Financial Aid Administrators
St. Louis, Missouri
March 13-15, 1977

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Financial Aid Administrators
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PROLOGUE

The College Scholarship Service was established in 1954 to develop a uniform and equitable treatment of family resources when considering students for financial aid. Over the past 23 years, the financial aid community has labored over the problem of a fair and equitable determination of family resources. These efforts culminated in 1975 with the adoption, by the majority of the financial aid community, of the Consensus Model for Determination of Parental and Self-Supporting Students' Ability to Pay (The Uniform Methodology of Need Analysis). The Consensus Model is a product of the National Task Force on Student Aid Problems, a voluntary association of concerned and interested agencies and organizations. This uniform treatment of family resources has brought some consistency to the process of awarding financial aid funds to students.

Over those same years, however, the construction of student expense budgets has not received similar attention, though such budget construction has a profound effect on the federal funding of student aid to institutions as well as on individual student aid applicants through the packages of aid awarded to them in their local campus environments. It has only been within the past few years that the financial aid community has seriously studied student expense budgets and how they may affect the process of awarding student financial aid. The discussions involved in that study have not been easy. Proposed definitions of direct and indirect educational expenses allowable in student budgets, together with possible parameters, have tended to confound rather than clarify the issues under study.

During 1975, personnel from the Department of Health, Education and Welfare Region V office in Chicago and from the Midwest Association of Student Financial Aid Administrators (MASFAA) began to consider the possibility of co-sponsoring a midwest conference on student expense budgets. Those discussions led to a meeting in Chicago on February 20, 1976, with representatives from MASFAA, Office of Education personnel from its Washington office as well as its offices in Region V, the American College Testing Program and the College Scholarship Service. The purpose of the meeting was to plan for a work session aimed at the development of student financial aid expense budgets.

The result of this planning was a two-day workshop held in Evanston, Illinois, in April 1976, co-sponsored by MASFAA and the Office of Education Region V office in Chicago. In addition to representatives from the offices and agencies named above, the workshop was expanded to include representatives from the Department of Labor, State Scholarship and Grant Commissions and state associations in DHEW Regions V and VII as well as student financial aid administrators representing a wide variety of postsecondary institutions.

The major objective of the Evanston Conference was to discuss and clarify the philosophical issues of student expense budgets rather than the budget construction details of parameters and other specific construction processes. It was the expectation that a second conference would investigate those more detailed concerns. In acquiescence to the delimitations imposed by that objective and further expectation, seven topics covering the major questions relating to student expense budgets were selected for examination by the Evanston Conference participants. Those discussion areas were:

I. Authority for Budget Establishment
II. Standardized Budgets Versus Individualized Budgets
III. Method of Budget Construction
IV. Characteristics Which Merit Differential Treatment of Budgets
V. Low Income--Disadvantaged Budget Construction
IV. The 12-Month Budget--Independent and Dependent
VII. Institutional Pricing Policy--Impact on Budget

An analysis of the results of the Evanston Conference indicates that its work resulted in a superior conceptual examination of the above subject areas, far surpassing anything extant at the time the conference was held.

Based upon this history, the National Student Expense Budget Conference was organized.

Co-Directors of the National Student
Expense Budget Conference:

Robert B. Clark
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and

Robert H. Winkler
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ACKNOWLEDGMENTS

The profession of student financial aid administration, as professions go, is a relatively new one. Throughout these early years it has been fraught with many problems, some of which are inherent in the nature of the work involved, some in the nature of the clients we serve, some in the nature of the concomitant responsibility for publicly entrusted funds and some in the nature of the professionals themselves.

Unlike most other professions, the financial aids profession has no common body of knowledge which is collected as ready reference for those who administer student financial aid. That common body of knowledge is currently in the process of development and definition every day as each student financial aid administrator grapples with the day-to-day ramifications of student aid administration. Because of this lack of a common body of knowledge, because of the many publics to which the aid administrator must be responsive and because of the aid administrator's overriding concern for the students served, the members of this profession have the highest concern for its status and its future. It is only as a common body of knowledge is developed and processes are standardized that the aid administrator will be able to move with a greater degree of certainty to the accomplishment of the major goal: to facilitate access to and continuance in postsecondary education for those students who, without such assistance, would be deprived of the benefits of such an educational experience.

This Handbook is a product of that professional concern. It represents the efforts of a large number of members of the financial aid community who have contributed their time and talent to address a part of the unknown and who have attempted to give it some definition, some substance, some form; and in so doing, to make a major contribution to the common body of knowledge essential not only to the successful practice of student aid administration but also to the development of the profession.

Budget construction in any area is problematical given the vagaries of available revenue and uncertain demands upon that revenue. In addition to these, budget construction in the administration of student financial aid suffers many other frustrations. Not only is the amount of aid resources a major concern, but matching the different types of available aid to the targeted groups which those types of aid are designed to serve increases the complexity of the task. Also, an overwhelming expenditure demand constantly faces the student aid administrator. For the most part, these demands have not yet been defined in existing literature as pertinent student expenditures. It is in this area of student expenses that this Handbook makes a major contribution.

Whenever new work is undertaken, hopes abound that the results will not only justify the trepidation but will also result in rewards, both many and specific, which will be at least commensurate with the work and travail experienced. The National Student Expense Budget Conference proved to be no exception in those aspects. For this particular conference, that may have been due, in part at least, to the financial aid professional's traditional willingness to communicate hopes and fears; and that group of professionals planning this conference was, in the finest tradition, traditional!

There were those who hoped that discrete dollar amounts would be stated for each budget component representing the allowable expenditure for each item. There were those who, being somewhat more timorous in their anticipation, aimed just short of the ultimate, satisfying themselves with allowable dollar ranges when discrete dollar amounts were beyond the capabilities of the conferees. Then, too, there were those who sought only an equation for each budget element, but an equation for which all elements are known and which requires no statistical inference.

As editor of the Conference proceedings, I first would acquaint the reader with Henry Louis Mencken's definition of hope as being "a pathological belief in the occurrence of the impossible;" and as consolation to those readers who may have some difficulty in assimilating unrealized hopes, I share with them the perception of Alexander Pope, evidenced in his lament that "Hope springs eternal in the human breast. Man never Is, but always To be blessed."

In short, the product of the Conference does not specifically satisfy the hopes expressed above. I offer no apology for that because an examination of this Handbook will disclose that resulting from the Conference is a different but no less valuable option: clear guidelines delineating the processes whereby satisfactory budget item limits may be established. The wisdom of that alternative is unquestionable. Following these guidelines, aid administrators may address their concern for economically disadvantaged students by establishing realistic budgets designed to fit not only the institution's individual environment but also the particular student's situation within that environment. Further, the guidelines permit institutions and aid administrators to retain their autonomy in matters of institutional policy, at least within the specificity of the recommended processes for establishing student expense budgets.

The Conference has, I am convinced, made a most significant contribution to the common body of knowledge for financial aid administrators. Though the scope of the work of the Conference is broad by necessity, this Handbook resulting from that work is definitive and describes accurately the types of expertise that must coalesce in the knowledgeable aid administrator. The future of the financial aid profession depends on many--federal agencies, state agencies, postsecondary institutions, aid administrators themselves--and it now becomes the responsibility of all of these groups to translate the results of the National Student Expense Budget Conference, embodied in this handbook, into improved practices of financial aid administration.

Throughout the editorial process, I have tried consistently to present with fidelity the results of the conference committees' work. In those instances where it seemed logical that the work of more than one committee should be merged--as is the case in Chapter III representing the work of six committees--committee concepts have been retained; but I must accept responsibility for the prose, as also is the case in those sections of the Handbook which are not direct outputs of the conference committees.

It is literally impossible to acknowledge all of the effort and all of the individuals who have contributed to this Handbook, however, appreciation must be extended to those groups without whose efforts this Handbook would not have resulted. First of all, acknowledgment is extended with grateful appreciation to the Midwest Association of Student Financial Aid Administrators and the United States Office of Education, Region V, whose foresight and dedication resulted in the initial conference dealing with student expense budgets held in April 1976 at Evanston, Illinois. Those serious users of this Handbook are urged to study with care the product of that conference.[1]

Further, appreciation must be expressed to those members of the Steering Committee for the National Student Expense Budget Conference as follows:

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[1] "Working Papers: MASFAA/USOE Invitational Student Expense Budget Conference" (unpub. conference proceedings available from the Midwest Association of Student Financial Administrators, 1976).

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The Steering Committee's many hours devoted to planning and to the responsibilities assumed during the Conference contributed immeasurably to the success of the Conference and the achievement of the conference participants.

To Phil Rokicki, Director of Student Aid, University of Missouri--St. Louis, who served the Conference as Conference Site Chairman, appreciation is expressed for his excellent work which facilitated a successful conference. Recognition must be made, also, of his glowing and enticing descriptions of the attractions of the City of St. Louis, even though the day-and-night schedule of the conferees prevented their enjoyment of any of them.

To all of those many professionals who participated in the Conference, grateful recognition is made of their devotion to their task and the unswerving attention with which they addressed that task. Without their efforts, this Handbook would have been impossible. Each of these persons is identified at the end of the chapter in this Handbook where their work is presented. Also, I am extremely grateful for the cooperation of the committee chairpersons who have patiently reviewed copy--rewrite after rewrite after rewrite!

To five members of my staff at Oklahoma State University--John Mayes, Assistant Director of Financial Aid; Dee Finnegan, Research Assistant; and Debbie Clour, Graduate Intern--I extend my gratitude for their weeks of effort in assisting with merging the six papers dealing with student expense budgets, identification of the areas of duplication and isolation of those areas of difference. Recognition is also acknowledged of Mrs. Julia Young, who typed the final manuscript, and Mrs. LaVerne Atkinson, who typed the preliminary manuscript as well as the volume of correspondence essential to this project.

Particular thanks is due, also, to the four persons serving as final readers of the manuscript: Carolyn Kosteleky, American College Testing Program; Alan Wagner, College Entrance Examination Board; Bill Bowman, University of California--Berkeley; and Ben Sandler, Washington University, St. Louis.

Each of these persons reviewed the total manuscript and made many helpful suggestions for its improvement.

To Dr. Dallas Martin, Executive Secretary of the National Association of Student Financial Aid Administrators, my personal thanks for his support throughout the writing process, for his friendship and for his understanding that has contributed immeasurably to my mental health as editor of the conference papers.

Finally, with great affection and appreciation, I must express my thanks to my Co-Director of the National Student Expense Budget Conference, Robert H. Winkler, Associate Director of Financial Aids, University of Wisconsin--Madison, who shared with me the pains and pleasures of this project from its embryo state to this, its culmination. Words are not sufficient to acknowledge the support that he has provided, and even more important, to acknowledge his contribution to the financial aids profession. The esteem in which I hold him is best expressed in that, should the opportunity present itself, without hesitation, I'd say, "Bob, let's do it all over again."

CHAPTER I

INTRODUCTION

This Handbook is the product of a National Student Expense Budget Conference held in St. Louis, Missouri, March 13-15, 1977, under the co-sponsorship by the National Association of Student Financial Aid Administrators and the Midwest Association of Student Financial Aid Administrators. The objective of this Conference was to consider the many problems of constructing student expense budgets, utilizing invited expertise from all echelons of the national financial aid community. The Conference followed an Invitational Student Expense Budget Conference co-sponsored by the Midwest Association of Student Financial Aid Administrators and the United States Office of Education, Region V, held in Evanston, Illinois, April 5-7, 1976. The Working Papers of the Evanston Conference formed the nucleus of the National Conference, and it was the intention for the second conference to arrive at definitive positions regarding the components of budgets, the methodology of budget construction and the variables which may properly be considered in such construction.

101. CONFERENCE PARTICIPANTS

To ensure a broad, diverse representation from the national financial aid community, invitations were extended to the following offices and agencies to have their representatives in attendance.

American College Testing Program
American Council on Education
Bureau of Health Manpower/PHS
Bureau of Higher Education Opportunity Programs
Bureau of Indian Affairs
Bureau of Labor Statistics
College Scholarship Service
Education Commission of the States
Law Enforcement Education Program
Legislative Staff
Mid-American Association of Trio Directors
National Association of State Scholarship & Grant Programs
National Association of Student Financial Aid Administrators
National Council of Higher Education Loan Programs
National Student Association
National Student Education Fund
Rehabilitation Services Administration
Social Security Administration
Student Financial Assistance Study Group
U.S. Office of Education
Veterans Administration

In addition to the above, each regional association of student financial aid administrators was asked to send three representatives and each state association, two representatives.

Those who participated in the Conference are listed in this Handbook as each committee's membership is presented in the section reporting the committee's work.

102. ORGANIZATION OF THE NATIONAL CONFERENCE

The Conference was divided into ten working committees. Six of those committees addressed the problems of defined student types: disadvantaged, non-traditional, graduate and professional, part-time, undergraduate and career school. Within these committees, the conferees developed parameters for the different budget components as those components related to the specific student type under consideration by the committee.

The remaining four committees were not to address the subject of budget component parameters but were to consider other subjects: Two having direct bearing on student budgets: Economic Standards Within Student Budgets and Methodology for Data Collection; and two important in the administration of financial aid: Budgeting Federal Student Financial Aid Dollars and A Method for Training Personnel in the Preparation of Student Budgets.

As a final activity of the Conference, the Steering Committee, together with the co-chairpersons of all committees met to study the reports of the ten committees, to discuss the reports and to resolve any apparent differences or disagreements among the reports.

An editor to compile the proceedings of the Conference was selected as was a final review panel of four persons whose responsibility it would be to review the total report.

103. COMMITTEE PROCEDURES

The first responsibility of each of the six committees studying a specific student type was to define the student type with which the committee was concerned.

After defining the student type under consideration, the committee was asked to discuss the particular "cells" within the budget matrix (Chart A on the following pages) which the committee believed applied to its student type. It was not presumed, and the committees were so cautioned, that all cells within the matrix would be discussed by all six of the committees, inasmuch as some budget components would not apply to a particular student type under study by a committee.

For each such cell discussed by a committee, the committee was asked to:

1. Identify the cell under consideration.
2. Explain what is to be included in the budget component, and, if pertinent, explain any unusual circumstances surrounding the budget component (the cell) for that particular student type.
3. Present a measure of the budget component. It may be that, for certain cells, it will be possible to present a discrete cost figure; for others it may be possible only to present a cost range; and for others, it may be desirable to state average costs.

[illegible] A

Student Types

1. Disadvantaged Students
2. Non-traditional Students
3. Graduate and Professional Students
4. Part-Time Students
5. Undergraduate Students
6. Career School Students

NATIONAL STUDENT EXPENSE BUDGET CONFERENCE
ST. LOUIS, MISSOURI
MARCH 13-15, 1977

Expense Component	DEPENDENT						SELF-SUPPORTING			
	living at home		institutional housing		off-campus housing		institutional housing		off-campus housing	
	without dependents	with dependents	without dependents	with dependents	without dependents	with dependents	without dependents	with dependent	without dependents	with dependents
Tuition and Fees Cost of instruction to the student as stated in catalog before any deduction or waiver, generally charged to all students. Application, matriculation, student activity fee are to be considered here when appropriate	1A	1B	1C	1D	1E	1F	1G	1H	1I	1J
Books and Supplies The average cost of books or the use of books for a given group of students enrolled in a similar broad category. Any special needs of a particular major group should be added to this figure, i.e., art, nursing, med, etc.	2A	2B	2C	2D	2E	2F	2G	2H	2I	2J
Room and Board/Maintenance Residence halls costs, rent, house payment and taxes, utility bills, and phone charges should be considered. Both food purchased at grocery and food purchased at restaurants or cafeterias should be included.	3A	3B	3C	3D	3E	3F	3G	3H	3I	3J
Transportation (1) All public transportation to and from school, (2) cost of maintaining a car (gas, oil, insurance, license) for commuting to school, (3) cost of going home for vacations	4A	4B	4C	4D	4E	4F	4G	4H	4I	4J
Personal Clothing and upkeep, recreation (movies, concerts, sports, liesure reading, records) and grooming aids.	5A	5B	5C	5D	5E	5F	5G	5H	5I	5J
Medical/Life Insurance Health and Life Insurance	6A	6B	6C	6D	6E	6F	6G	6H	6I	6J
Noninsured Medical Costs Routine care including prescription and nonprescription drugs, therapy, maternity costs.	7A	7B	7C	7D	7E	7F	7G	7H	7I	7J

Chart A - (Page 2)

Expense Component	Student Type DEPENDENT living at home without dependents	 living at home with dependents	 institutional housing without dependents	 institutional housing with dependents	 off-campus housing without dependents	 off-campus housing with dependents	 SELF-SUPPORTING institutional housing without dependents	 institutional housing with dependents	 off-campus housing without dependents	 off-campus housing with dependents
Costs Related with a Handicap Any special transportation or equipment needs due to a physical disability.	8A	8B	8C	8D	8E	8F	8G	8H	8I	8J
Current Debt Repayment Medical, dental, auto, furnishings and spouse's educational debts are items in some monthly budgets.	9A	9B	9C	9D	9E	9F	9G	9H	9I	9J
Child Maintenance/Care Food, housing, clothing, medical and dental, private school fees relating to dependents. Child care included here if appropriate. As well as cost of transportation involved in child care.	10A	10B	10C	10D	10E	10F	10G	10H	10I	10J
Child Support and/or Alimony A monthly amount provided for someone not living with the student.	11A	11B	11C	11D	11E	11F	11G	11H	11I	11J
Spouse's Educational Costs Tuition and books as described above if incurred during the budget period.	12A	12B	12C	12D	12E	12F	12G	12H	12I	12J
Spouse's Employment Allowance The additional transportation, clothing and grooming aids relative to spouse being fully-employed.	13A	13B	13C	13D	13E	13F	13G	13H	13I	13J
Other:	14A	14B	14C	14D	14E	14F	14G	14H	14I	14J
Other:	15A	15B	15C	15D	15E	15F	15G	15H	15I	15J
Other:	16A	16B	16C	16D	16E	16F	16G	16H	16I	16J

It also may be desirable to specify that, when any of these guidelines are used with variation, such variation be used only with justification.

The remaining four committees were directed to develop their individual papers for presentation to the Conference.

A. DEFINITIONS OF EXPENSE COMPONENTS

As may be determined from the matrix presented above as Chart A, the conference participants were provided definitions of the expense components. These definitions were presented only to provide guidance and continuity to all committees; the appropriateness of those working definitions was left to the judgment of the individual committees.

B. BUDGET STANDARDS

The conferees were directed to adopt a modest but adequate standard in the process of developing guidelines for allowable specific expense components. Further, under this stipulation, the participants were reminded that budget guidelines should be developed relative to a modest standard of living rather than relative to the average standard of living evidenced in a particular locale or in a particular institutional setting.

104. THE EDITORIAL APPROVAL PROCESS

As stated above, the work of each committee was evidenced by a report considered by the Steering Committee and the committee co-chairpersons at the end of the Conference. It was agreed that copies of all ten reports would be immediately provided to the conference participants by the editor through the individual committee chairperson. Each committee was asked to consider the product of its work in the light of the other committee reports, to make any revisions with which the committee was in concurrence and to return such corrected copy to the editor. Upon receipt of the corrected copies, the editor then would proceed with the consolidation process and, upon its completion, would submit each section back to the conferees through the committee chairperson for their approval of the editorial process. Further, after any corrections were made as a result of that approval, the total manuscript would then be submitted to the conference participants through the committee chairpersons for their approval of the total work.

After such approval was received by the editor from the ten committees, the manuscript was to be submitted to the members of the Conference Steering Committee to provide them not only the opportunity to review the manuscript, but also to offer any suggestions for its improvement. When such suggestions as were received had been considered and any indicated manuscript changes effected, the final manuscript would be submitted to the group of four final readers for their approval before publication.

105. IMPLEMENTATION

The National Conference committees have taken a creative, yet imaginatively realistic, look at the complex process of construction of student expense budgets. It is believed that the thoughtful user of this Handbook will find that the intent of the committees is clearly stated in an open, straightforward manner and will also find that it brings order to what has been a chaotic process.

It is the recommendation of all who have contributed to this Handbook that its provisions become the standard for student expense budgets as those budgets are constructed by the financial aid professionals across the nation.

The term "professional" in this context implies neither degrees nor years of experience. To the point of evaluating professional status, the following remarks by Roy and MacNeill[1] are worthy of consideration:

> . . . The most important and significant aspects of a [professional's] services to his clients and to the public cannot be defined as knowledge, nor even as experience, but must be described by more elusive terms: wisdom, perception, imagination, circumspection, judgment, integrity.
>
> When to speak out, when to be silent, how to say or write that which is necessary but awkward, courage to face up to the need for doing so, talent to be firm yet diplomatic, imagination to see beneath and beyond the surface, perceptivity not only for what has happened but also for what may happen, constancy in ethical behavior, sagacity to avoid errors of omission as well as those of commission: these and other attributes like them are qualities, not definable as knowledge but inherent in

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[1] Roy, Robert H. and James H. MacNeill. "Horizons for a Profession: The Common Body of Knowledge for CPA's," The Journal of Accountancy, September, 1966, p.38.

> individuals. Without them one can be nothing more than a technician, regardless of the scope of his knowledge; possessing these attributes plus requisite knowledge, he is a professional.

Though these qualities were propounded as applying to the beginning certified public accountant, this editor submits that they have equal applicability to professionals working in the administration of student financial aid and are relevant indices of professional status, superior to the more traditional measures of degrees and experience.

106. ORGANIZATION OF THE HANDBOOK

The remaining parts of this Handbook are organized to present, first of all, in Chapter II, the results of the Conference Committee on Economic Standards Within Student Budgets which is considered to be the foundation data upon which student expense budgets must be constructed. In Chapter III are presented the data resulting from the work of the six committees dealing with student type budgets. Chapter IV reviews the methodology for data collection together with pertinent forms. The final two segments of the conference work, those dealing with financial aid administration rather than student expense budgets are presented as appendices to this Handbook. Appendix A considers the problems related to budgeting federal student financial aid dollars; and Appendix B reports the work of the Committee for Developing a Method for Training Personnel in the Preparation of Student Budgets.

CHAPTER II

ECONOMIC STANDARDS WITHIN STUDENT BUDGETS

201. INTRODUCTION

The purpose of this chapter is to define, identify and develop the economic standards which should be reflected within student budgets. This mission is at once both conceptual and practical. In the first instance, the appropriate standard of living is defined and the general guidelines which reflect this standard are identified for each expense component. In the second role, a method is proposed which institutions can employ to develop budgets at the appropriate economic standard.

The narrative proceeds in four sections. Section 202 consists of the definition of the appropriate economic standard which should be reflected in student budgets and a discussion of the sources of variation in actual student costs follows in Section 203. Therein it is attempted to distinguish between differences arising out of local market conditions (cost and requirements for particular items) and differences resulting from a variation in standard of living (such as quality of services). Section 204 contains a description of the appropriate economic standard applied to individual expense components. Finally, in Section 205, the method for developing institutional budgets at the appropriate level is presented.

202. DEFINITION OF THE APPROPRIATE ECONOMIC STANDARD FOR STUDENT EXPENSE BUDGETS

The budget should provide for reasonable costs necessary (that is moderate/modest but adequate) to enable a student to attend a postsecondary educational institution during an academic year or proportionate period thereof. The budget should provide for the essential goods and services necessary to permit the individual student to devote his or her primary energies to the pursuit of an acceptable educational objective.

Student budgets should include allowances for costs beyond uniquely educational expenses (tuition and fees, books and related supplies). This latter direct cost measure would be appropriate if income transfer programs assured support for the other student expenses of room, board, transportation, and miscellaneous costs for students and families with inadequate resources. In some cases, they do. But, the eligibility for, and the amount of, support are not uniform across programs or states. Student budgets which include direct educational and maintenance costs, then, recognize all costs necessary to enable a student to attend a postsecondary institution, regardless of the level of support forthcoming from any source.

Student budgets should not be established for manipulative or inconsistent purposes, such as rationing of funds, justifying large fund requests, showing that the full need of students has been met, or recruiting students by publishing misleading institutional costs. Rather, the aims of expense budgets should be to measure educational costs accurately, to serve as devices for administering aid efficiently and responsibly to delineate between those students who are in need of aid as opposed to those who are not and to ensure basic equity among members of a defined group. In order to achieve these aims, a systematic approach to budget construction must be developed. This task requires a clear understanding of the concepts involved. (MASFAA-USOE Conference Report, 1976)

As this document develops, it may become necessary to employ different words to connote the same meaning. This need arises, in part, out of prior uses of the word, "moderate" and the phrase, "modest but adequate." The suggestion of the interchangeability of these descriptions is not inappropriate. Webster's New World Dictionary and Student Handbook provides for a choice of definitions which include the following:

> "moderate....reasonable or ordinary......
>
> modest....simple or reasonable....not extreme..."

The common denominator of these definitions is "reasonable."

Federal guideline publications and regulations as well as other publications have frequently used the "modest but adequate" phrase, while other publications use words such as "moderate" in discussing student budgets. In all known instances, these terms have been defined as representing some reasonable standard. The central notion of the reasonableness of student budgets suggests quite clearly an intent to create some sense of parity among students. Clearly, such an intent does not submit the inclusion of either of the extremes -- luxuriousness or poverty conditions. Students who are recipients of financial aid should, to the extent possible, be indistinguishable from the large mass of non-aided students. Throughout this document, the term "modest but adequate" or the word "moderate" standards are used interchangeably to address the notion of what is reasonable.

203. VARIATION IN COSTS

Other than fixed costs (i.e., tuition and fees), differences in student expense budgets among institutions should reflect local market conditions--the price and availability of goods and services required by students. Place-to-place variations are to be expected. It is known, for example, that housing and food costs will not only vary in different sections of the nation but also may be dependent upon an urban or rural institutional environment. By the same token, institutions served by public transportation might offer cheaper transportation alternatives to their students. Student expense budgets should, appropriately, reflect these differences if they are to adhere to the principle that budgets from different locations should essentially represent a comparable standard of living. Therefore, living costs within student expense budgets should, insofar as is possible, reflect the actual cost of living within the geographical areas in which those costs will be incurred and should be at a modest but adequate level relative to other students attending the same institution.

On the other hand, care should be taken to distinguish between differences in the cost and availability of goods and services (just described) and the standard of living. It is important that student expense budgets not reflect a standard of living above that of a modest but adequate level. Differences in the standard of living are most often observed in such items as food, housing, clothing, and transportation. For example, budgets that provide allowances for more luxurious living quarters or an unnecessary automobile generally reflect a higher standard of living and are to be distinguished from the appropriate student budget. Differences in standards of living may be detected by comparing the cost of the respective components of the student budget with its counterpart in the low, moderate and high budget standards of the Bureau of Labor Statistics (BLS) for the area. (Data from the BLS may be used as a reference point for checking institutionally derived data. See Section 403-A). Where possible, budgets at individual institutions should be comparable; they should reflect reasonable student costs regardless of where the student lives or attends school.

204. THE DEFINITION AND ECONOMIC STANDARD FOR INDIVIDUAL EXPENSE COMPONENTS

The appropriate economic standard reflected in each expense component is described below. In considering these specific standards, the reader should be aware that for a number of items, it is not clear whether the expense should be included in the student budget or whether it should be applied as an adjustment to income. Items which are incorporated into the Uniform Methodology are noted where appropriate. As a general rule, these expenses should be included in the budget only for students (or groups of students) who incur greater costs for the items that the Uniform Methodology provides--and, then only to the extent of the difference.

A. TUITION AND FEES

Tuition and fees is defined as the amount for tuition and fees which the student will be expected to pay as published by the postsecondary institution at which attendance is anticipated.

B. ROOM

Room is defined as institutional housing costs, private rental costs, house payment costs (not to exceed rental cost for equivalent facilities), including depreciation, taxes, utility bills and telephone charges. The moderate/modest but adequate budget for housing should include allowances based on the following considerations:

1. Family Size. At institutions which operate residence facilities, appropriate housing allowances should not be less than the institution's contract price for those facilities.

   For students not living in institutional facilities, the housing allowance should be relatively consistent with:

   a. The institutional contract price (if offered) for single students with no dependents. In the absence of institutional housing, one-half of the prevailing local rent for a one-bedroom apartment would be an appropriate alternative.

b. The institutional contract price, or prevailing local rent for a one-bedroom apartment for a married couple.

c. The institutional contract price, or prevailing local rent for a two-bedroom apartment for a married couple with one or two children, or a single student with one or two children.

2. Student Maintenance at Home. For students living with parents, a direct housing cost should be allowed in the budget. Beyond this fixed allowance, incremental costs reflecting local price levels and increased utility, phone and upkeep expense may be included. An allowance for housing costs for the dependent student is included in the Uniform Methodology. While the housing costs incurred by dependent students living with parents are legitimately part of the student budget, the Uniform Methodology deducts the housing allowance from family resources in determining the family contribution. Recognizing these costs on both sides of the need analysis equation would result in a partial double counting. Hence, for dependent students living with parents, the housing allowance should be added back into family resources, or a portion of the allowance should be deducted from the student budget.

In the event the student living with parents must justifiably pay rent, such rental costs may be included in the budget if consistent with item 1. a. (Supra, p. 16)

Similarly, allowances for housing costs for independent students are available in the Uniform Methodology's Independent Student Model. Again, where local price levels and housing expenses exceed the fixed allowance, incremental costs may be included.

C. BOARD

Board is defined as costs associated with the purchase of a nutritionally adequate diet for an individual. The moderate but adequate budget allowed for board should include, but is not limited to, the following considerations:

1. Students Who Live in Campus-owned Housing. The student expense budget should include an amount for food which is not less than the amount of the contract price for food at a postsecondary institution's boarding facility. If these facilities provide less than 21 meals per week, the budget item for board should be increased above the contract price so as to ensure funding for the standard 21 weekly meals.

2. Unmarried Students Who Do Not Reside With Parents and Who Attend Institutions Without Boarding Facilities. The standard student expense budget should include an allowance which reflects an amount students typically expend or need for a nutritionally adequate diet.

3. Unmarried Students Living at Home With Their Parents. A standard allowance for costs of maintenance at home plus an allowance for costs of meals on campus should be included. The allowance for cost of meals on campus should be based on local normative experience of commuting students.

D. BOOKS AND SUPPLIES

Books and supplies category is defined as the cost of books, consumable supplies and durable goods which a student should possess as a necessary corollary to instruction. The moderate but adequate budget allowance for books and supplies should include, but is not limited to special needs of a particular major group such as art, medicine, nursing, law or engineering students.

E. TRANSPORTATION

Transportation is defined as the cost associated with public transportation to and from school or when public transportation is not available, permitting an option to cover the cost of operating and maintaining a car (gas, oil, license, insurance, repair, etc.) When using the operation, maintenance and depreciation option, the IRS standards for automobile expenses will be used. For 1976, the IRS had set this value at 15 cents per mile. Department of Transportation and private rent-a-car firms place the cost at something closer to 25 cents per mile. These costs vary from place-to-place, so the school attendance transportation allowance can be set according to the prevailing mileage costs for a given region.

For resident students living beyond a reasonable commuting distance from the institution, a transportation allowance which provides for a minimum of two and a maximum of four round trips home should be included. The cost of one round trip home by economy class, common carrier in each term should be the minimum allowed. Resident campus students may qualify for a dislocation allowance if the residence halls shut down completely at times other than between the academic terms. Married students probably do not make the "round trip home" and are not subject to the displacement costs encountered by the residence hall students. Accordingly, married students should not be granted the displacement allowance as a standard budget item. Their budgets for room and board would reflect the additional costs incurred while remaining on campus during these periods.

F. PERSONAL EXPENSES

The category of personal expenses is defined as the cost associated with personal expenditures which may include items such as clothing and upkeep, grooming aids and recreation (movies, concerts, sports, leisure reading and records). Because of the potentially wide variance within this budget component, a nationally recognized allowance range is advisable. Budget construction of this component should enable the financial aid recipient to make lifestyle choices consistent with those options available to non-aid recipients which are not in excess of a moderate standard of living.

G. SPECIAL EXPENDITURES

There are a number of circumstances which dictate special student expenditures. These special expenditures may be considered appropriate as either a reduction from student resources or family contribution, or as an additional allowance to the student expense budget. Included in the special expenditures are the following examples.

1. Medical and Dental. Medical and dental expenses are defined as those costs which are associated with routine medical and dental care, including prescription and non-prescription drugs, therapy and maternity costs. The provision for premiums for health care/life insurance expenditures should be allowed, but only to independent students and then only when the costs for these items are not provided as a part of a mandatory student insurance program imposed by the institution. In the case of dependent students, the Uniform Methodology makes provision for all health care costs, therefore it is not necessary to include such costs in the budget for dependent students. Determination

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of such allowable cost factors should reflect both access to services and prevailing regional health care costs.

2. Costs Related With a Handicap. Those costs related to a student's handicap are defined as any special transportation or equipment needs required by a student with a physical disability. Cost for such items should, where possible, be funded from local, as opposed to federally-funded campus based sources.

3. Current Debt Repayment. Current debt repayment is defined as the repayment of certain allowable debts but does not include those which reflect indebtedness resulting from discretionary personal choice.

   For dependent students, current debt repayment is already treated by Uniform Methodology which allows for such items as medical and dental expenses incurred prior to the base year and those parental educational debts which are currently in repayment status.

   For independent students, there are certain allowable debts due to special circumstances. These might include medical and dental indebtedness, non-deferrable educational indebtedness for the student and/or spouse such as educational loans in repayment status, if it can be determined that the lender cannot or will not suspend payments during periods of further study. There may also be certain other types of expenses due to special circumstances, but does not include normal consumer debts. Individual aid officers are expected to exercise discretion in determining what constitutes a "special circumstance."

In those instances when a non-resident student is required to own an automobile because there exists no adequate means of public transportation between the student's residence and the campus, a reasonable debt repayment allowance for the purchase of a modestly priced automobile is allowable. Such an allowance, if used, should not exceed the value of an additional transportation allowance.

There are a number of circumstances which dictate special student expenditures. These special expenditures may be considered appropriate as either a reduction from student resources or family contribution, or as an additional allowance to the student expense budget. Included in the special expenditures are the following examples: The allowance should be limited to the expenses associated with borrowing; it should not include that portion of the automobile payment which reflects the acquisition (ownership) of the car. It is inappropriate for the student educational budget to support the acquisition of capital assets. However, it may be equally inappropriate to expect the student to dispose of assets previously purchased on a time payment contract.

4. Spouse's Employment Allowance. Spouse's employment allowance is defined as the additional expenditures for transportation, clothing and grooming items incurred in such employment.

   These costs should be considered in appropriate situations in accordance with consistent standards such as those currently detailed in the Uniform Methodology. Currently, the allowance is 50 percent of the income but not more than $1,500. The application of this allowance as an off-set against the spouse's income is the most reasonable way to handle this item. Accordingly, no allowance is to be made in the student's budget.

5. Spouse's Educational Costs. The spouse's educational costs are defined as tuition, fees and book charges consistent with those required of all students and published by the institution.

6. Child Support and/or Alimony. Child support and/or alimony is defined as that court-specified amount provided for a dependent or ex-spouse not living with the student. Such expenses listed by the aid applicant should be verified by the financial aid administrator before they are included as allowable costs in the applicant's budget.

7. Child Maintenance/Care. Child maintenance/care is defined as those expenditures which are relative to the additional costs incurred due to the absence of "dependent" child care normally

provided by either a student or student spouse. In the case of a single parent or when both parents are students, an allowance for care during periods of class attendance and periods of employment should be allowed. For married couples, a child care allowance may be more appropriately handled as an offset against income if one of the couple is a non-student. For example, this allowance would be applicable in those instances in which the student is fully employed.

205. INSTITUTIONAL DEVELOPMENT OF THE APPROPRIATE ECONOMIC STANDARD WITHIN STUDENT BUDGETS

The guidelines proposed above represent the "reasonable and necessary" outlays consistent with the defined economic standard for student budgets. In practice, however, the appropriate economic standard within student budgets can be reflected by the average expenses incurred for individual expense components by similar broad categories of students at a given institution. Apart from fixed costs (tuition and invariant fees), it is appropriate to price individual variable costs according to an acceptable data collection, or averaging, technique (see Chapter IV, Infra, p.60). The variable components of a comprehensive budget should thus reflect the economic standard derived from typical costs for the average student within his or her student category.

In the absence of systematic student expense research (see Chapter IV) an averaging technique becomes the minimally acceptable technique for obtaining a realistic estimate of the costs faced by an individual student. The average would incorporate place-to-place differences resulting from local market conditions. Beyond this, the average would also reflect cost differences resulting from the availability of goods and services of a given quality. That is, students attending institutions not served by public transportation would incur private transportation costs. The supply of two-bedroom apartments may inadequately meet the needs of the student population, requiring greater budget amounts for higher priced, available housing. In part, then, the average would reflect the economic standard within the local institution/community environment. It must be stressed, however, that budgets which provide for minimum or subsistence cost levels will simply not enable most of the aided students to attend.

It is recognized that an individual student may spend more (or less) than the budget standard for a particular expense item. A different expenditure pattern, however, represents individual student choice. To some extent, these patterns result from trade-offs made within the student budget (i.e., among room, board and transportation items).

As a general proposition, institutional budgets should be developed separately for groups of students facing similar types of expenditures. For these groups, differences in outlays within groups would vary less than differences in outlays among groups. This procedure reduces distortions in institutional budget allowances for an individual student. The broad groupings specifically recommended cut across the following categories:

Student living status (with parents, in institutional
housing, in off-campus housing)
Family size (number of dependents)
Educational program
Age

The student population served at the institution will dictate which student categories should be employed. These separate standards, however, are not intended to reflect different lifestyles.

As a process, the budget is derived from a realistic evaluation of the pertinent data reflecting real costs faced by a student.

NATIONAL STUDENT EXPENSE BUDGET CONFERENCE

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CHAPTER III

BUDGET EXPENSE COMPONENTS

301. INTRODUCTION

As noted earlier, the participants in the National Student Expense Budget Conference were divided into ten committees. Six of those committees devoted their efforts to considering the allowable expense components and other pertinent data relative to the construction of modest but adequate budgets for six identified student types: disadvantaged, non-traditional, graduate and professional, part-time, undergraduate and career school. This chapter summarizes the work of those six committees.

A more concise, straightforward presentation of allowable expense components is achieved by merging the six committee reports to preclude unnecessary duplication in those many areas where commonality occurs. Such a consolidation, too, facilitates a better emphasis of the differences among student types than becomes apparent in a component-by-component analysis and a type-by-type comparison of student groups. For these reasons, this chapter will proceed by discussing the budget expense components in the order they are presented in the matrix (Chart A. Supra, p.5). Within the discussion of each component will be included, first of all, the areas of basic agreement of the six committees as they each addressed the component.

Following such remarks regarding concensus will be detailed those areas of difference, as perceived by the committees, identified to the particular student type generating a deviation from the consensus position.

The reader will note in examining the matrix in Chart A that the conferees were asked to consider expense components pertinent not only to type of residence and whether or not dependents are supported, but also to dependency status of the applicants themselves. Concern was expressed on the floor of the National Conference that there seemed no justification for any differentiation in allowable expense for any budget expense component based on dependency status. Nevertheless, all committees were asked by the Co-Directors of the Conference to continue to consider the advisability of grouping students as either dependent or self-supporting for the purpose of budget construction and to report the results of such consideration. The findings of the Conference were that, indeed, no justification exists for such a distinction. Therefore, a further result of the Conference was a revision of the proposed matrix to eliminate applicant dependency status which eliminated matrix columns G through J. The revised matrix is presented as Chart B on the following pages.

Those using this Handbook are reminded, also, that the conferees were asked to present a measure of the allowable expense components (Supra, p.4). The conference participants also expressed concern regarding their ability to comply with that instruction. The Co-Directors urged the participants to attempt

CHART B

Student Types

1. Disadvantaged Students
2. Non-traditional Students
3. Graduate and Professional Students
4. Part-Time Students
5. Undergraduate Students
6. Career School Students

NATIONAL STUDENT EXPENSE BUDGET CONFERENCE
ST. LOUIS, MISSOURI
MARCH 13-15, 1977

Expense Component	living at home		institutional housing		off-campus housing	
	without dependents	with dependents	without dependents	with dependents	without dependents	with dependents
Tuition and Fees Cost of instruction to the student as stated in catalog before any deduction or waiver, generally charged to all students. Application, matriculation, student activity fee are to be considered here when appropriate	1A	1B	1C	1D	1E	1F
Books and Supplies The average cost of books or the use of books for a given group of students enrolled in a similar broad category. Any special needs of a particular major group should be added to this figure, i.e., art, nursing, med, etc.	2A	2B	2C	2D	2E	2F
Room and Board/Maintenance Residence halls costs, rent, house payment and taxes, utility bills, and phone charges should be considered. Both food purchased at grocery and food purchased at restaurants or cafeterias should be included.	3A	3B	3C	3D	3E	3F
Transportation (1) All public transportation to and from school, (2) cost of maintaining a car (gas, oil, insurance, license) for commuting to school, (3) cost of going home for vacations	4A	4B	4C	4D	4E	4F
Personal Clothing and upkeep, recreation (movies, concerts, sports, liesure reading, records) and grooming aids.	5A	5B	5C	5D	5E	5F
Medical/Life Insurance Health and Life Insurance	6A	6B	6C	6D	6E	6F
Noninsured Medical Costs Routine care including prescription and nonprescription drugs, therapy, maternity costs.	7A	7B	7C	7D	7E	7F

Chart B - (Page 2)

Expense Component	living at home		Institutional housing		off-campus housing	
	without dependents	with dependents	without dependents	with dependents	without dependents	with dependents
Costs Related with a Handicap Any special transportation or equipment needs due to a physical disability.	8A	8B	8C	8D	8E	8F
Current Debt Repayment Medical, dental, auto, furnishings and spouse's educational debts are items in some monthly budgets.	9A	9B	9C	9D	9E	9F
Child Maintenance/Care Food, housing, clothing, medical and dental, private school fees relating to dependents. Child care included here if appropriate. As well as cost of transportation involved in child care.	10A	10B	10C	10D	10E	10F
Child Support and/or Alimony A monthly amount provided for someone not living with the student.	11A	11B	11C	11D	11E	11F
Spouse's Educational Costs Tuition and books as described above if incurred during the budget period.	12A	12B	12C	12D	12E	12F
Spouse's Employment Allowance The additional transportation, clothing and grooming aids relative to spouse being fully-employed.	13A	13B	13C	13D	13E	13F
Other:	14A	14B	14C	14D	14E	14F
Other:	15A	15B	15C	15D	15E	15F
Other	16A	16B	16C	16D	16E	16F

to present such measures of the expense components with the ultimate decision to be made based on the Committees' success in that attempt.

A perusal of the committee reports revealed no usable measures. Discrete dollar limits were impossible due to: the wide variety of institutional types and economic settings; price ranges that were so broad as to provide a major disservice to students served by aid administrators who might rely too greatly on published, extremely broad price ranges; and a concern that any average costs imputed from such ranges would be misleading, especially to novitiate administrators.

In retrospect, and as this Handbook is carefully studied, the absence of such component measures attests the wisdom of the conferees. Their work presents clearly defined, acceptable processes for the establishment of allowable budget component amounts, thus preserving the autonomy of local campuses and administrators as they establish budgets within the confines of acceptable process. All segments of the financial aid community should agree that such acceptable processes are far more professionally oriented than are prescribed limits, averages or ranges, and facilitate a greater service to those students with whom the aid administrator is so vitally concerned.

Finally, for all budget expense components, allowable expenses should be determined using those techniques outlined in Chapter IV of this Handbook discussing data collection (Infra. p.60). Due consideration must also be given to the implications of economic standards contained in Chapter II (Supra, p.11) and to any specific group requirements presented in the discussion of budget expense components below.

302. EXPENSE COMPONENT 1 A-F: TUITION AND FEES

> Definition: Cost of instruction to the student as stated in catalog, before any deduction or waiver, generally charged to all students. Application, matriculation and student activity fee are to be considered when appropriate.

The component definition as orginally submitted was accepted by all groups. No additional considerations or areas of disagreement were submitted. The use of actual charges as designated by the individual institutions are to be entered as the appropriate dollar amounts in accordance with "Methodology for Data Collection."

The aid administrator is cautioned that care must be taken to distinguish mandatory fees, which are allowable, from optional or discretionary fees, which are not to be included.

303. EXPENSE COMPONENT 2 A-F: BOOKS AND SUPPLIES

> Definition: The average cost of books, or the use of books, for a given group of students enrolled in a similar broad category. Any special needs of a particular major group should be added to this figure, i.e., art, nursing, medical etc.

The component, as defined was accepted by all groups except that specific inclusion in the definition is recognized for the item, "Minimum Basic

Required Equipment." This refers specifically to required class materials and does not include discretionary purchases (i.e., non-required camera equipment for photo-journalism classes). Equipment supplied by the institution is not included in this category; and when such equipment is supplied on a rental basis, only the rental amount is allowable.

A. DISADVANTAGED STUDENTS

Once the allowable budget has been established, consideration must be given to those individuals or groups whose needs exceed the institution's allowable expense, i.e., the provision for remedial and supplementary material for disadvantaged students. These costs may be added to a base books and supplies budget as either the expected actual costs to be incurred or as a percentage in order to determine the additional allowable amount.

B. PART-TIME STUDENTS

Allowable costs for part-time students should be determined on a related fractional basis from full-time costs, or those part-time students should be identified as a substrata of the student population for which separate data are collected and separate budgets are established.

Whenever needs higher than the institution's established allowable budgets are recognized, some form of primary or secondary verification must be present in the student's file to document such higher allowances.

304. EXPENSE COMPONENT 3 A-F: ROOM AND BOARD MAINTENANCE

> Definition: Residence hall costs, rent, house payment and taxes, utility bills and phone charges should be considered. Both food purchased at grocery and food purchased at restaurants or cafeterias should be included.

The definition of this expense component was accepted by all committees without exception or additional considerations.

The use of a standard budget was proposed by all committees with the specific non-standard needs of various student types allowable on an add-on basis. These would include additional start-up costs for disadvantaged students, the need for private rooms for older non-traditional students as well as an allowance for the presence of more than one adult dependent.

The committee considering the disadvantaged student, reasoning that the disadvantaged family has less ability to pay for its full cost of education or even to maintain the student at a low standard of living, proposed the elimination of the commuter budget for their group and the use of the institutional budget in its stead. It must be noted that a minority segment of this committee believed that the commuter student, disadvantaged or not, experiences less financial difficulty than does the student living in institutional or off-campus accommodations. Because of this belief, the minority segment could not justify the use of residential maintenance costs. These unique problems must be taken into consideration when the institution establishes an "at home" budget allowance for the disadvantaged student, with the decision depending on the institutionally-collected data giving rise to its allowable cost for this component.

The particular living accommodations selected by students was the basic factor used by the committees in differentiating among allowable budgets. This factor may affect budget construction in the following variations:

A. STUDENTS LIVING AT HOME

Assuming the use of the Uniform Methodology for Need Analysis, the student is presumed to be living away from home and is therefore excluded from the Minimum Standard Allowance (MSA) (except for the housing allowance in the Uniform Methodology's Dependent Student Model). Because of this, maintenance for the student living at home (less the housing allowance in the Uniform Methodology's Dependent Student Model) becomes an allowable expense. The "at home" expense allowed is intended to cover a reasonable amount for all educationally related housing and food costs for the student. Each institution, however, should establish its own allowable at-home allowance by employing the techniques emphasized in the chapters dealing with data collection and economic standards to which reference was made above.

B. STUDENTS LIVING IN INSTITUTIONAL HOUSING

The basic allowable component should be those actual charges as stated by the institution, for residence halls or rental units. An additional food allowance should be made when food is not provided in the student's contract or when the meal plan is less than 21 meals per week. The actual allowance by an institution, however, should be determined by its data base for budget construction.

C. STUDENTS LIVING IN OFF-CAMPUS HOUSING

Allowances should generally be constructed as those costs required for modest but adequate housing available in areas most closely adjoining the campus. In calculating these costs, adjustments should be made for multiple occupancy, except when such occupancy is occasioned by a student's children and/or other dependents.

Students in the process of buying a residence should be limited to an allowance governed by the local rental situation in order to preclude student aid funding of asset acquisition.

305. EXPENSE COMPONENT 4 A-F: TRANSPORTATION

Definition: The transportation allowance should include the cost of (1) all public transportation to and from school, (2) the cost of maintaining a car (gas, oil, insurance, license) for commuting to school, when public transportation is not available and (3) the cost of going home when school is not in session.

The basic components of transportation were generally acceptable to all committees. Areas of difficulty arose as individual committees attempted to more clearly establish the specific maximum limits inherent in the definition. Numerous suggestions were set forth by various committees for additional consideration. For component items 1 and 2, they included allowance for travel costs to and from work, allowance for the transportation needs of dependents, allowance for public or private transportation costs in connection with off-campus educational field training required by a particular course of study, and the use of a six-day transportation period for campuses where Saturday campus attendance is necessary.

In general, the trend in the recommendations by the majority of committees was toward the inclusion of all transportation costs under component items 1 & 2, not just those which are directly school related.

Component item 3, cost of going home when school is not in session, incurred the greatest range of disagreement which was more clearly related to the groups' self definition as well as to their individual stand on the posture regarding "Dependent" and "Self-Supporting" student categories. A maximum of three round trips per fiscal year, by the most economical mode, for Dependent and Self-Supporting students was finally proposed by the Committees on Graduate & Professional Students, Undergraduate Students and Career School Students. The Part-Time Student group proposed a maximum of two round trips per academic year for Dependent Students (which is in agreement with the above specification of three trips per fiscal year) but with only the original trip to the institution allowable for Self-Supporting students, since the assumption is made that with the establishment of a family unit, travel to and from the parent's home is not a necessary cost.

One of the major problems precluding consensus on this expense component was the many variables perceived by individual committees as intrinsic to the needs of their particular student type. For example, the committee studying the needs of the career school student was concerned about the availability of public transportation and the length of time between terms during which a possible closing of on-campus housing facilities must be considered.

It is believed, as aid administrators carefully examine the transportation requirements of the various student types being served, that any residual problems may be handled as specific adjustments.

Institutional surveys are of primary importance to take into account such factors as area costs, the lack or availability of pubic transportation, the calculation of a standard mileage basis for the region and any unique problems or considerations which would influence the dollar range appropriate to the individual institution, depending on whether it is an urban, rural, commuter-oriented or residential campus.

306. EXPENSE COMPONENT 5 A-F: PERSONAL

> Definition: Clothing and upkeep, recreation (movies, concerts, sports, leisure reading, records) and grooming aids.

The basic definition of this component was accepted by the committees, however there are several possible adjustments and special considerations addressed by the committees for which provision should be made as basic allowances are established and as the individual needs of special student types are handled.

A. ALL STUDENT TYPES

The geographical region in which an institution is located well may influence the amount included as a clothing allowance.

When considering dependents, if the dependent is the student's spouse, then the personal costs for both persons should be covered in the basic allowance for this expense component.

The amount included for a recreational allowance should take into consideration those recreational activities available on the campus and whether or not an amount to totally or partially cover campus recreational activities is included in allowances for standard fees paid by all students.

B. NON-TRADITIONAL STUDENTS

Special consideration in establishing this allowance should be extended to the cases of individual students having unique personal needs such as those who have recently immigrated or who have been or are presently incarcerated.

C. DISADVANTAGED STUDENTS

Students of this particular type may require an additional budget allowance for clothing (probably varying from 15% to 30% of the standard allowance established) to provide initial clothing acquisitions since their wardrobes usually are not adequate at the time of first entrance.

307. EXPENSE COMPONENT 6 A-F: MEDICAL/LIFE INSURANCE

Definition: Health and life insurance.

All groups allowed the inclusion of health insurance as an expense component. In general, it was their belief that the institution's own health plan should be the primary source of coverage, with private insurance allowable with proper documentation.

Presently, such insurance is included as a part of the Minimum Standard Allowance (MSA) for parents of dependent students. As stated in an earlier section of this Handbook, it was the consensus of the conferees that there should be no differentiation between the budget allowances for dependent and self-supporting students. Their only reservation in that regard was the problem of health insurance for the independent student. In reconciliation of that reservation, it is the recommendation of the Conference that health insurance should be removed as a part of the Minimum Standard Allowance and should be included as an allowable budgeted expenditure for both dependent and self-supporting students, if not covered for dependent students by their parents.

Two of the committees recommended that life insurance not be approved as a budget expense component; two other committees recommended its approval only for those students having dependents; and a fifth committee recommended that it be allowable only as a personal expense item. Based on the opinions of the committees, it is appropriate to delete life insurance as an allowable budget expense component and to combine it with Expense Component 7 A-F: Non-Insured Medical Costs into one related component which would be allowable only in those individual instances where the item is applicable to the status of the student under consideration.

308. EXPENSE COMPONENT 7 A-F: NON-INSURED MEDICAL COSTS

> Definition: Routine care including prescription and non-prescription drugs, therapy and maternity costs.

Pursuant to the Expense Component 6 A-F recommendation above regarding life insurance, this expense component is designated to be Non-Insured Medical Costs and Life Insurance with the following revised definition:

> Definition: Routine care to include prescription and non-prescription drugs, therapy and maternity costs, optional dental care and life insurance.

A. NON-INSURED MEDICAL COSTS

There are several general and specific budget adjustments that must be considered when dealing with this expense component.

All non-elective care costs above or in the absence of insurance coverage should be allowed, providing the student presents proper documentation, by budget authorization only for expenses paid during the budget period. This proviso should be stated in institutional budget policies together with the caveat that such coverage is possible only if the treatment is necessary to maintain the student in an educable status.

In establishing institutional policy, and in consideration of aid funds potentially available, individual aid administrators may also wish to specify a maximum amount above which coverage will not be provided from student aid sources. The applicability of such a maximum also speaks to the conferees' agreement on the inappropriateness of allowing long-term or catastrophic medically-related costs in student budget authorizations. Further, aid administrators should provide, in their policy statements, for periodic review of non-routine medically-related items for which budget approval has been given.

1. Non-Traditional Students. Two specific adjustments recommended by this committee are, first of all, that special consideration should be given to increasing costs for this student type arising because of dependents or age. Secondly, special consideration should be given to special individual needs, e.g., pregnancy, abortion or other unusually high medical costs.

B. LIFE INSURANCE

Life insurance may be appropriately authorized as an additional item of cost in the student expense budgets for specific individual students;

however, the aid administrator is cautioned to precede such authorization by a careful investigation of such factors as whether existing social programs provide duplicate provision for dependents and whether, indeed, dependents are documented for whom such protection seems pertinent to the family status and the mental well being of the applicant.

309. EXPENSE COMPONENT 8 A-F: COSTS RELATED WITH A HANDICAP

Definition: Any special transportation or equipment needs due to a physical disability.

The Expense Component "Costs Related With a Handicap" will exclude social or economic handicaps for student budget purposes and is defined as those expenses primarily incurred by a physical impairment, either a physical or mental disability verified by a qualified physician or other health professional. Allowable costs are those related to such a condition for which provision is not made by non-institutional resources.

Included in this expense component may be:

1. Special equipment related to the disability and/or maintenance or replacement thereof.
2. Non-insured, non-routine medical expenses that are directly caused by the disability and/or are necessary to maintain the student in an educable state and to facilitate educational progress.

3. Expenses, related to human assistants and attendants, which may include, but are not limited to, services for personal hygiene, mobility and classroom or academic requirements.

4. Special equipment necessary to allow the student to pursue the academic program. This equipment may include, but is not limited to, such devices as tape recorders and other audio aid, braille books and equipment, and visual aids.

In considering the unique problems that may arise with these budget items as they pertain to the matrix cells, Cells 8C and also 8E may require human assistance or attendants. Also, Cells 8D and 8F costs may vary, depending upon the age and capability of the dependent to provide necessary assistance.

The nature and extent of the disability must be considered to determine the variables and adjustments to the budgets and each case should be considered on an individual basis. In budget items 1 and 4 prudent administration of public funds requires that whenever feasible, rental or leasing costs as opposed to purchase cost should be used in budget construction.

310. EXPENSE COMPONENT 9 A-F: CURRENT DEBT REPAYMENT

Definition: Medical, dental, auto, furnishings and spouse's educational debts.

The elements of this component were separated by the committees into two categories: Educational Debt and Consumer (Other) Debt. Consensus of opinion was to treat both categories as add-on expenses, allowable only with proper documentation.

Non-Deferrable Educational Debt repayment was considered allowable for both the student and spouse during the budget period.

Consumer (Other) Debt may be an allowable budget addition, but only for properly documented, previously incurred, non-discretionary items, and then only if in the judgment of the financial aid officer, they are cause for sufficient impairment to prevent the student's access.

This expense component is considered of special impact on the Non-Traditional and Graduate & Professional Students; but even though recognition of such debts was made by the committees involved, they also stressed that the fact of recognition does not imply priority of funding.

311. EXPENSE COMPONENT 10 A-F: CHILD MAINTENANCE/CARE

> Definition: Food, housing, clothing, medical and dental and private school fees relating to dependents. Child care is included here, if appropriate, as is the cost of transportation involved in child care.

Coverage for personal and recreational expenses may be included in child care and maintenance allowances but only if these items are not provided elsewhere or by non-school agencies.

With regard to the element in this component providing for "private school fees related to dependents," such an expenditure is discretionary on the part of the student aid applicant and should not become an allowable element of the expense component providing child maintenance and care. In that situation where a dependent child of an aid applicant must be provided special education or special educational facilities that are unavailable except through private education, the costs should be included in this expense component for the aid applicant but only after the financial aid officer has received sufficient documentation to justify its inclusion.

In gathering the data to provide the basis for establishing the allowable costs for this component, aid administrators and institutions are admonished to take into consideration the many variables that may radically affect the proper establishment of allowable costs. Those factors include, but are not necessarily limited to, the age of the dependent child, the number of such dependents, whether there are one or two parents in the household, whether the dependent is considered a household member in the applicant's family in the need analysis system, whether the applicant will live in institutional housing or off-campus and whether the applicant's spouse is present in the home.

312. EXPENSE COMPONENT 11 A-F: CHILD SUPPORT AND/OR ALIMONY

> Definition: A monthly amount provided for someone not living with the student.

This expense component pertains only to those students having dependents.

Within the Conference there was some body of opinion that such costs are not directly related to education and that they represent personal responsibilities of the student; and that because of these reasons, the component should not be permitted in student budgets. This, however, was not a majority opinion.

Basically, the conferees agreed that, as consideration is given to facilitating access and retention and the maintenance of the student in an educable status, such costs should be allowed in the budgets of those students to whom such costs are applicable. Such a budget allowance should equal the actual cost of child support and/or alimony payments required of the student but only as such costs are documented by the applicant.

Financial aid administrators should be aware that in some regions it may be possible for the applicant to obtain a legal temporary reduction in the amount to be paid. When this can be accomplished, the budget allowance should be adjusted to equal only those actual payments required, not to those payments originally ordered by the court.

313. EXPENSE COMPONENT 12 A-F: SPOUSE'S EDUCATIONAL COSTS

Definition: Tuition and books as described above if incurred during the budget period.

This expense component pertains only to cells 12 B, D and F.

The basic items within the definition of "Spouse's Educational Costs" were acceptable to the committees, and they also added a provision for additional transportation.

The conferees agreed that the educational costs of the spouse attending another institution should not be funded because to do so could result in the double-funding of the spouse's cost or the use of one institution's funds to pay expenses at another institution. In such an instance, the spouse should seek assistance from the institution where attendance is anticipated or should utilize personal resources to provide for those costs.

Aid administrators are cautioned that the spouse's educational cost is a valid budget item only if the student and spouse are both enrolled in the same institution and both are financial aid applicants. As these conditions are met, the financial aid administrator should construct a joint budget which would include all educational expenses for both persons to include individually documented costs.

314. EXPENSE COMPONENT 13 A-F: SPOUSE'S EMPLOYMENT ALLOWANCE

> Definition: The additional transportation, clothing and grooming aids relative to the spouse being fully-employed.

This expense component only pertains to items 13 B, D and F.

The majority opinion was that this expense component is not appropriately a budget item as it may be most equitably treated, at the option of the institution, as a deduction from income via the employment expense off-set within the need analysis procedure.

315. EXPENSE COMPONENT 14 A-F: TUTORIAL EXPENSES

This component was added by the conferees and was given the following definition:

> Definition: The actual documented per-hour charges for necessary tutorial expenses should be allowed when this service is not provided free of charge by the institution.

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CHAPTER IV

METHODOLOGY FOR DATA COLLECTION

401. INTRODUCTION

The aim of this chapter is to advise the financial aid administrator on the process of student expense budget research. This process can be divided into the three primary functions of planning, implementation and interpretation of research data.

Student expense budgets must be based upon systematically derived data that can be obtained by using some combination of the methods described in this chapter. Budget research must be tailored to the local institutional setting because of the wide variety in postsecondary institutional types, geographic location and the heterogeneity of the student populations within these institutions. Therefore, these methodological guidelines are presented to enable the individual aid administrator to develop a methodologically sound research strategy from which may be derived cost estimates, and ultimately student budgets, appropriate to the particular institutional needs and resources.

402. PLANNING FOR STUDENT BUDGET RESEARCH

A. RESPONSIBILITY

Responsibility for the development of student budgets rests with the postsecondary institution. Within the institution, this responsibility is usually delegated to the chief financial aid administrator. Although research may be done outside the financial aid office, ultimately the financial aid administrator should be the initiator and coordinator of expense budget research projects.

In order to realize economies in conducting research, it may be desirable to develop research projects for all campuses in multi-campus systems or cooperatively among institutions in the same locale. In some instances, a state-wide governmental agency may take the initiative and enlist the cooperation of various institutions in conducting student budget research.

B. FREQUENCY AND TIMING

The financial aid officer should establish a calendar for collecting student expense data, regardless of the methods employed, to ensure that the process is systematically organized and can be planned in advance.

Student budget construction is an on-going process. The thoroughness with which the research was conducted that resulted in existing budgets determines the frequency of repeating such studies. For budgets to be properly constructed, comprehensive research may not be necessary annually; however, annual review is required which may give rise to revisions warranted by rapidly changing economic conditions such as inflation. Budget items not controlled by the institution should be the focus of periodic reviews, while institutional budget items (such as tuition, fees and on-campus housing costs) should be adjusted as changes occur. Budgets established through major research efforts conducted at the local campus level may be updated or verified, as appropriate, using data from secondary sources. For example, data from the Bureau of Labor Statistics (BLS), the Bureau of the Census, the U.S. Department of Agriculture (USDA), or local experts and informants may be used to review and adjust particular budget items. For a more complete discussion of the limitations and appropriate uses of these secondary sources, please refer to the section on Non-Institutional Sources--Budgets, Indices and Research later in this chapter.

The purpose of student budget research is to establish realistic expense levels for a given student population. In order to do this, research should be carried out as close as possible to the time the expenses will be incurred. Aid administrators may wish to conduct student budget research during a period which allows enough lead-time to use the results in preparing their institution's tripartite application in the fall. They may also wish to verify their current year's budgets, in the fall and/or spring to determine if they are adequate or require adjustments.

While augmentation of awards to students using federal, state or institutional funds during the academic year may not be possible (i.e., funds are already fully committed), the aid administrator can authorize increases in the budgets to reflect cost increases which are discovered as a result of recent research. Raising the budget limits does not preclude increased allowances for work-study or off-campus employment earnings, additional loans, etc., which are usually referred to as 'self-help' resources.

Student surveys should be timed in order to avoid class examination or other high activity periods for students since such timing conflicts tend to reduce the quality and completeness of the data collected. Nevertheless, certain times during the year may be more advantageous than others for particular kinds of data collection (e.g., "start-up" costs collected at the beginning of the academic year).

C. DEMOGRAPHICS

The aid recipient population is a segment of the total student body. Budgets for aid recipients ought not to vary substantially from budgets of students in general, though the "modest but adequate" philosophy endorsed by the financial aid community should be considered in establishing final budget figures. In order to select a representative sample of the student body for budget research, it is necessary first to know the demographic profile of all students. This will assist in determining categories of student budgets to be developed and in identifying the size of samples necessary to produce statistically significant budget data.

Differentiation on the basis of demographic categories is not necessarily intended to warrant construction of separate student expense budgets. Rather, the intent of surveying the demographic composition of the student population is to make certain that the sample to be drawn later is representative of the variability in expenditures presumed to be present within the entire student body. Consideration should be given to the following demographic characteristics in developing the survey instrument: location of residence, age, marital status, race or ethnic origin, academic level, dependency status and family size.

D. EXISTING BUDGET INFORMATION

Once the demographics of the student population are known, the aid administrator should examine other student budget information available. Such information may be available from institutional sources as well as non-institutional sources. The literature may include state surveys, BLS regional indices and studies done at other institutions. In addition, publications of state agricultural extension services, welfare agencies and professional associations may be useful in helping to plan the budget research anticipated. Examples of existing literature are cited in the references section of this chapter.

E. RESOURCE AVAILABILITY

Development of student expense budgets requires a commitment by the institution to the expenditure of resources for this purpose. In planning a research project, the availability of time, personnel and money must be assessed. These resources may be found to exist within the financial aid office; however, where this is not the case, it is the aid administrator's responsibility to identify such resources elsewhere. Where funding is necessary, support should be sought through appropriate administrative channels. Indeed, since budget development is a periodic process, funding required for necessary research should be requested as a regular part of the financial aid office operating budget.

Additionally, personnel resources may be available within the institution at little or no cost to the aid office. Students, faculty and staff can assist in research design and implementation, statistical analysis and conducting surveys. The aid administrator must locate, recruit and coordinate available resource persons as part of the budget research planning process.

F. ALLOCATION OF AVAILABLE RESOURCES

On the basis of a survey of student demographics, review of existing budget information and assessment of available resources, a decision can be made for the allocation of resources to a particular student expense budget research project. Varieties of methods for implementing research projects are discussed in the following section.

403. STUDENT BUDGET RESEARCH IMPLEMENTATION

A. SOURCES OF DATA FOR SPECIFIC COST ITEMS

As indicated on the chart (Infra, p.92) that follows, there are nine types of sources from which the individual financial aid administrator can obtain data on student expenses. Information collected from the institution's students, administrative staff and faculty--institutional sources--provide some of the most accurate data sensitive to the actual expenses of the institution's students. The aid administrator can consult non-institutional sources such as local community informants, the Bureau of Labor Statistics (BLS), American College Testing Program (ACT) and the College Scholarship Service (CSS) publications, to obtain normative expenditure data on basic cost items.

B. INSTITUTIONAL SOURCES

At the institution, the financial aid administrator can collect data from students who incur the expenses ("primary sources") or from suppliers to the students of the instructional, housing and food services, etc., ("secondary sources").

Both primary and secondary sources have unique advantages. The student-reported sources provide the only means of determining what specific kinds and amounts of expenses are actually incurred. Local secondary sources can provide useful verification of student-reported figures. Further, data obtained from these independent sources can be used to project future changes in costs.

1. Primary Sources. Primary sources, that is, students, may provide financial aid administrators and researchers with expense information by means of three different survey techniques: (1) Student Projected Expense Estimates, (2) Student Expense Surveys and (3) Student Expenditure Diary Surveys. Each method has distinct advantages and disadvantages. Any student budget research plan should include at least one, and preferably more, of these methods, depending on the resources available. All students, not just financial aid recipients, should be included among the respondents to surveys of this type.

   a. Student Projected Expense Estimates. This method asks students to estimate the costs for various budget items (pre-defined by the financial aid administrator or researcher) in advance of the actual period when the expenditures occur. The items to be estimated may be defined as specifically as is needed for the aid administrator to develop campus budgets.

      Institutions might routinely distribute and collect these surveys through regular administrative procedures required of all students or limit the survey to a specific group within the total student population. For example, surveys might be inserted in registration material packets and returned with them.

The major advantages of this survey method are:

- only one contact with the student is required;
- detailed estimates may be obtained for specific budget items;
- summaries of both the full range and the "average" expense estimates may be compiled;
- surveys may be conducted at nearly any time during the year;
- a comprehensive sample of all students may be surveyed; and
- the data collected will be "objective" since the survey should not be perceived by respondents to affect individual aid awards.

The major disadvantage of this method is that the data collected may be invalid because students, particularly first-year students, lack expenditure experience to accurately project their future costs with any degree of accuracy. Such inexperienced students may over- or under-estimate their expenses. If questionnaires are used in a mail survey, questions may be misinterpreted and the subsequently reported figures may be less accurate. It should be noted that student surveys (Infra, p.97) including both student projections and surveys of past expenditures, can be conducted through personal interviews with students. The advantages in this strategy are that misunderstood questions can be clarified by the interviewer for the respondents, and the interviewer can probe further into expenditure patterns, habits and special expense problems with additional questions to follow up on those outlined in the survey instrument (i.e., the "interview schedule"). Such additional probing can enrich the researcher's understanding of the student's expense situation.

It is the opinion of experienced researchers that the disadvantages associated with student-projected estimates outweigh the potential advantages to be gained. These surveys may provide insight into how students plan their personal budgets; but the estimated figures, alone, are not adequate for budget construction. In any case, projected estimates used for the purposes of developing budgets must be verified and updated using data from appropriate secondary sources.

b. Student Expense Surveys. Student expense surveys can be used to collect information on actual student expenses. Sufficient numbers of students in various expense categories--such as residence type, dependency status, sex, attendance status and year in school--would receive a survey instrument containing questions requesting information on specific budget items. The questionnaire could be mailed to the student's residence with registration materials or distributed on campus (in classes or at registration). The CSS "Student Expense Study Service" questionnaire (Infra, p.107) is an example of a packaged survey which might be used as a model. Summary statistics from completed questionnaires can be used to establish the ranges of expenses for the various types of students in the population. Personal interviewing, again, may be used instead of mail or handout surveys.

The major advantages of this method are similar to those described in the section above. The staff and dollar costs of the student expenditure survey methods can be quite high if the development and pretesting of the questionnaire, distribution and data analysis costs are included, or if the personal interview technique is employed. These costs can be reduced by using a packaged survey, volunteer staff and the distribution methods suggested above. Personal interviews might be used for only a subset of the population surveyed to keep research costs down while still collecting additional data on student expenses not possible through mail questionnaires or other methods. The expenditure survey method also suffers from the inaccuracies associated with the requirement of students to recall and estimate their expenses from the past.

c. Student Diaries or Ledgers (The Expenditure Diary Method). One way to involve students in the process of estimating their expenses is to use the "expenditure diary method." The diary is a booklet in ledger format with pre-defined expenditure categories. The student records personal or family expenditures within each category as they are incurred. Some items (e.g., tuition and fees, books, rent deposits, medical costs, utility bills, etc.) are recorded on a one-time (monthly or school term) basis, while other items such as food costs and transportation expenses may be entered in the diary forms at more frequent intervals (daily or weekly).

The diary instrument may be designed to include not only those items normally recognized by the local institution's student budgets but also other expenses not currently allowable so as to assess the potential costs involved. Each distinct expense category heads a column under which the record keeper makes entries. Receipts for some types of expenses may be requested for verification of entries. Dates of all entries should be recorded to allow tabulations of weekly or monthly totals. An example of an expenditure diary (Infra, p.97) is reproduced in the Reference section of this chapter.

The full range of total or specific-time costs may be analyzed for budget estimation needs. Diary surveys may be conducted for any reasonable length of time but are most useful when field periods do not exceed two months. Diaries should not be used for periods exceeding two months since diary-users tend to alter their consumption behavior based on observations of their earlier entries (the "conditioning effect"). Diary surveys to cover longer periods can be accomplished with consecutive or overlapping panels of student diary-keepers.

Any budget item cost required by the aid administrator may be included in the diary instrument since diary expense records reflect actual costs for specific budget categories. This method provides current and accurate information sensitive to individual variations in expenses.

The accuracy of expenditure diary data is dependent on the care taken in selecting and training the participants and on the supervision of their efforts during the field period. Frequent contacts with participants 'by phone or in person' are helpful in resolving questions regarding entries and to ensure accurate recording. Members of the financial aid staff can supervise a diary survey, especially if they have used the diary for themselves as a pre-test to the study. Coordination of the diary survey by a single staff member is preferable.

The costs of diary surveys depend primarily on the number of students participating, the frequency of the surveys, their duration and the remuneration offered participants as incentives for keeping these expense records. Though diary surveys may be productively used twice each academic year, fall and spring, the field period should include the beginning of the fall term in order to include "start-up costs." As with surveys, the problem of a decline in participation by panel members may be present. To encourage continued participation, students might be paid a small stipend for completing the diary period. Certain privileges may be offered in lieu of monetary rewards such as priority at registration processing, free tickets to sporting or cultural events, etc.

2. Secondary Sources. The methods used to obtain pertinent student information from secondary institutional sources include personal interviewing and document review. Specific examples of useful secondary sources are identified in the sections that follow.

a. Published Institutional Sources. The financial aid administrator may be able to obtain cost data directly from the instituition's catalogues and/or internal departmental publications. These sources often provide some information on tuition and fees, essential supplies and equipment, institutional housing and food plans, campus medical services, campus recreational costs, parking fees, etc. Data can be obtained from these sources relatively easily. However, in some cases, the information may not be current; and the published amounts may not reflect the true costs incurred by individual students.

b. Institutional Faculty, Staff and Student Expertise. Institutional administrative staff, faculty and student expertise can provide useful, informed cost data for many of the specific expense items. The school bursar or comptroller can provide the most current costs for institutionally-supplied services (represented by tuition, fees, institutional housing, food plans, health insurance and activity fees). Further, the financial aid administrator can obtain an "insider's" estimate of potential increases in costs from the bursar's office.

A range of housing costs can be obtained from the listings of the Housing Service Office, the residence halls administrator and the IFC-Panhellenic advisor. College bookstore managers can provide cost estimates for books and supplies, including cost projections for the coming year. Food service staff can report on the patterns and costs of student food-buying habits.

Institutional staff and student groups might be willing to develop and carry out cost surveys of items required for students. Housing, groceries, restaurant meals, bookstore purchases, car repair costs, clothing, grooming aids and local medical services are examples of items which can be priced in a cost survey. These surveys should be conducted annually and more frequently if necessary.

Faculty and staff can lend their expertise in other ways as well. Home economics faculty can evaluate cost estimates for food, child care, clothing, recreational and personal costs. Economics and business administration faculty can provide data on regional price trends for major expense items such as housing and, possibly, food. Most faculty engaged in social science research can assist in the development of surveys or other methods of data collection. Finally, some faculty may be willing to assign their students to a class project aimed at researching the costs of some budget items directly related to the course content.

Faculty, staff and student expertise utilized for data collection is relatively inexpensive and, once contacts are established, may easily be tapped for repeated data research at any time. The cost data collected from staff are likely to be quite accurate and current, particularly for services supplied by the institution. The data collected in cost surveys administered by faculty, staff or students can prove extremely valuable and accurate in the verification of student-reported expenses for a number of items. It is quite possible that student budget figures may be estimated, at least for some items, on the basis of cost surveys, and then verified using student-reported data.

Perhaps the single disadvantage of this method is the lack of internal personnel resources, or the time required to identify and establish contacts which yield cost survey efforts on those campuses which do have this expertise available. The aid administrator should coordinate attempts to enlist the support of faculty, staff and students for research efforts with the chief executive officer at the institution so as to ensure better cooperation from campus resource personnel. All cost surveys, of course, need to be updated to the year in which the student budgets are to be used. Finally, it should be noted that staff expertise is least helpful in estimating expenses which are individual by nature (e.g., indebtedness and family support costs).

C. NON-INSTITUTIONAL SOURCES

The financial aid administrator can also use a wide variety of informants and published data from national, regional or local non-institutional sources, though the applicability of those beyond the local level must be examined carefully. Most of these sources are, in one way or another, connected with governmental agencies.

1. *Local Community Informants*. Information on the costs of various budget items may be obtained from non-student sources in the local community. Off-campus bookstore managers, service representatives from local utility companies, realtors, the AAA and local store managers can all provide cost information for specific items. Community health and welfare agencies, day care centers (or the state agencies who license them) and local agencies who distribute food stamps are also possible resources in the local community.

   Local and national publications are also possible secondary sources. For example, classified ads in local papers disclose the types of off-campus housing available to students and the costs involved. Trade publications (e.g., Publisher's Weekly for book costs) can be reviewed for cost projections predicted for various relevant industries.

The use of this method is limited by the availability of local off-campus expertise. The financial aid administrator must judge the quality of the information obtained from these sources. In addition, information on special expense items is not usually available.

2. Budgets, Indices and Research. The federal government regularly publishes survey data compiled and analyzed by the Bureau of Labor Statistics (BLS), the Department of Health, Education and Welfare (DHEW), Department of Agriculture (USDA), Department of Transportation (DOT) and the Bureau of the Census.

Among financial aid administrators, the most widely known and used federal data are the BLS family budgets. These budgets, based on the expenditure patterns of an urban family of four, were developed using the 1960-61 "Consumer Expenditure Survey" and were last updated in 1969. The budgets represent an index of spending for the "typical" family. For example, a USDA "nutritionally adequate" food plan is priced and included as the food component in the BLS family budget.

These BLS budgets are not appropriate as the sole determinant of the dollar amounts of student expense budgets for two reasons. First, they do not necessarily reflect student living and consumption patterns and costs. Second, even the regional budgets do not necessarily reflect the costs students confront as "captive consumers" in many campus communities. BLS data may be useful, however, in two ways. First, the budget proportions (food, housing, etc.) may be helpful in evaluating married student maintenance expenses. Second, regional or national consumer price indices (CPI) can be used to verify student expense budget changes over time.

Contracted research at the federal level consists of both periodic studies (for example, the National Center for Educational Statistics longitudinal studies) and applied research efforts which are conducted at irregular intervals. In general, this research provides nationally-representative data on incurred expenses of students, often stratified for regional variation and various institutional and undergraduate characteristics. State research efforts tend to provide similar costs data representative of the expenditure patterns within each state. These data are generally collected through student questionnaires and/or personal interviews.

While federal and state research efforts may provide nationally or statewide representative estimates of student expenses, the use of these data for local campus budget construction is limited for two reasons. First, the expense categories are usually broad and the estimates often exclude some costs which students may incur. Second, the findings are generally not available until a year or more after the data have been collected and are therefore outdated.

3. Federal/State Regulations. Government program regulations include allowable ranges and maximums for student expenses within different categories of expenditures. The expense items and amounts allowed under these programs may differ according to program objectives. The principal feature of regulatory expense allowances is that these items and amounts match the maximums generally permitted for the distribution of public student aid funds. However, the allowances are not necessarily based on research of actual student expenses. Further, the accuracy of the allowances may be ignored in favor of policy and budgetary considerations. These estimates should not be used as standards for local campus budgets for these reasons.

4. Other Non-Institutional Sources. The American College Testing Program (ACT) and the College Scholarship Service (CSS) periodically collect institutional estimates of student expenses and

make them available in report form. Summary statistics for broad expense categories, broken down by institutional type and control, are published annually in the case of CSS. Other non-federal research groups (e.g., Higher Education Research Institute, UCLA) provide additional information on student expenses, but again their applicability to the local campus is limited. First, they do not include all specific expense items; only broad expense categories are used. Second, the averages or ranges may not be representative of all institutions nationally, regionally or of a given type and control. Third, the published data may be dated and the data themselves are only as accurate as the methods used by the institutions which provide the figures in the first place. For these reasons, the national summaries available from non-federal sources are not particularly useful for constructing local campus budgets.

404. PROPOSITIONS ON THE METHODS OF STUDENT EXPENSE BUDGET CONSTRUCTION

It is important to collect information on as many specific student expense items as possible, whether they are currently allowable under existing student budget definitions or not. This will allow the financial aid officer to determine more accurate and relevant student expense budgets, subject to program regulations, institutional policies and student types, and to consider the costs of adding new elements to the list of allowable items.

At least one student-reported source of data should be used in constructing student expense budgets. This is the only data source which is sensitive to specific student circumstances at the local campus level.

More than one method or source of data should always be used. This strategy permits verification of the data collected and raises the confidence level of all publics in the figures used in the campus budgets. Verification methods might include cost surveys, institutional or outside expertise.

Student expense items should be updated to the year in which they are used, and at least some type of research on costs should be conducted annually. Further, research on student expenses should span the academic year to obtain information on expenses peculiar to different time periods (e.g., deposits and start-up costs).

In any student expense research, local data are preferable to national or regional data. Local data are the most sensitive to actual student expenses within specific geographic areas.

Bureau of Labor Statistics family budgets are not appropriate as a primary source in the determination of the dollar amounts in student budgets. The BLS budgets are based on normative standards not reflective of student populations or individual campuses.

405. EVALUATION OF STUDENT BUDGET RESEARCH DATA

On the assumption that some sort of student expense research has been conducted, the issue arises as to how one should interpret the resulting data.

A. DESCRIPTION OF DISTRIBUTION

The distribution of the individual responses to each survey item (element of student expenditure) can be described from four perspectives.

1. *Multimodality*. Does the distribution have more than one mode (i.e., does it appear that all of the students either spent a lot or a little on the budget items?)
2. *Measures of Central Tendency*. Mean, median, etc.
3. *Measures of Dispersion*. Variance, standard deviation (square root of variance), coefficient of variation (standard deviation divided by mean), etc.
4. *Degree of Skewness*. This refers to the extent to which the distribution of responses is nonsymmetric (i.e., are there a few students who spend very much or very little on this item?).

B. INTERPRETATION

1. *Multimodal Distribution*. If the distribution is multimodal, there is probably some operational partitioning of the student body,

based on its demographic characteristics, that should be considered. This would imply that each of the student groups should be analyzed separately. Note that if this same partitioning appears to be desirable for other survey items, consideration should be given to establishing more than one expense budget.

2. Unimodal Distribution or Partitioned Multimodal Distribution

a. Little Variation. If the distribution exhibits little variation around the mean, and if the distribution is also fairly symmetric, either the mean or median of the response values is a good basis upon which to estimate this expenditure item.

b. Great Variation. If there is a great deal of variation around the mean, one should probably consider a range of "acceptable" values for this budget item.

c. Nonsymmetric Distribution. If the distribution is nonsymmetric, the median is probably a better measure than the mean, but at this point one should try to explain the skewness. Although the usual mean is not the best measure of central tendency here, there are some other versions of the mean which are possibly better than the median, i.e., interquartile or windsorized means. Check with local resource persons who are familiar with statistical analysis for help in interpreting the results.

d. Analysis. One should compare the resulting mean, median, or ranges obtained from the survey with equivalent values for each cost item obtained from other sources--studies, government statistical series, etc. This, and more refined statistical analysis of the survey data, will give an indication of the confidence to place in the survey results.

e. Results of Analyses. On the basis of the above analyses, one should get a clear indication of whether a standard budget item, more than one standard budget item or an acceptable range of values is appropriate for each expenditure item.

f. Effect on Student Groups. Doing a separate analysis for aided and non-aided students, and then comparing the results should be pertinent to whether existing institutional budget policy has inequitably treated aided students vis a vis non-aided students, forcing them to exist at a lower standard of living. The aid administrator must be the final judge of whether a lower standard of living imposed on aided students by campus budgets will place them at an educational disadvantage when compared with non-aided students.

C. PROBLEMS TO ANTICIPATE

The researcher must be alert to the distribution between expenditures made by the student and those made on his or her behalf--particularly by the dependent student. This relates to how questions are phrased and whether the student knows the answer.

Is there a non-response bias?

Extraordinary expenditures may be producing skewed responses.

Vagueness in questions--Is there differentiation between commuting and vacation travel?, etc.

D. PRESENTATION OF FINDINGS

The recommended expense budgets must be supported by a complete documentation of the sources of data used, survey techniques employed, assumptions made and analyses used to generate the resulting student expense budget.

E. OTHER ISSUES REQUIRING CONSIDERATION

Who is responsible for formally adopting the student expenditure budget? Does the authority reside with the financial aid officers and/or with a higher administrative level?

How one treats the expenditures made on behalf of students living in the parental home will have major equity implications and influence where students choose to live while attending school.

Is there a vehicle for getting the United States Office of Education to underwrite a portion of the research costs necessary for producing student expenditure budgets that represent the "necessary" costs of attending a particular institution?

406. SUMMARY

This chapter is intended to be suggestive of how the process of student budget research might proceed without prescribing specific strategies or methods. It should be emphasized that some systematic research is essential in establishing accurate and adequate student budgets for financial aid recipients. The frequency of the research, methods used and the final determination of actual figures for budgets remain, however, a matter of local control.

The research process should be carefully planned, coordinated and implemented to achieve the best possible information given the limitations of time and resources available to the aid administrator at a particular campus. Student budget research is a fundamental part of responsible administration of federal, state and institutional aid funds and must be considered as part of the aid officer's attempts at being accountable for those funds.

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REFERENCES

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SOURCES OF DATA FOR SPECIFIC STUDENT EXPENSE ITEMS

Expense Items	Methods and/or Data Sources								
	INSTITUTIONAL						NON-INSTITUTIONAL		
	Student Reported			Local Secondary Sources			Government Sources		Other
	Student Estimates	Student Expense Surveys	Student Diaries or Ledgers	Published Institutional Sources	Institutional Staff and Student Expertise	Local Community Research	Budgets, Indices, and Research	Federal, State Regulations	Non-Institutional
TUITION and FEES	item may be collected	item may be collected	item may be collected	·Tuition and fee schedule	·Bursar ·Individual academic departments		·National summaries (HEGIS)		National summaries (ACT/CSS)
SUPPLIES and EQUIPMENT (calculators, microscopes, drafting, etc.)	item may be collected	item may be collected	item may be collected	·Required equipment and supplies	·Individual academic departments ·Cost surveys*	·Off-campus store managers ·Classified ads in community paper		BEOG (part of "miscellaneous expenses")	·National summaries (ACT/CSS)
BOOKS	item may be collected	item may be collected	item may be collected	·Required books	·Individual academic departments ·Cost Surveys* ·Campus bookstore manager	·Off-campus bookstore managers ·Publishers Weekly (cost projections)		·BEOG (part of "miscellaneous expenses")	·National summaries (ACT/CSS)

(SOURCES OF DATA FOR SPECIFIC STUDENT EXPENSE ITEMS, cont., pg. 2)

Expense Items	Methods and/or Data Sources								
	• INSTITUTIONAL						NON-INSTITUTIONAL		
	Student Reported			Local Secondary Sources			Government Sources		Other
	Student Estimates	Student Expense surveys	Student Diaries or Ledgers	Published Institutional Sources	Institutional Staff and Student Expertise	Local Community Research	Budgets Indices, and Research	Federal, State Regulations	Non-Institutional
HOUSING (rent, house payments, electricity, water, gas, phone, repairs, essential appliances and furnishings, taxes, deposits)	item may be collected	item may be collected	item may be collected	·Institutional dorms, married housing	·Housing services office ·Residence hall office ·Bursar (cost projections ·IFC/Panhel ·Cost Surveys* · [illegible]	·Apartment managers ·Realtors (Board of Realtors) ·Bulletin boards ·Classified ads in community paper ·Computer rental listings ·Gas, electric, water, and phone company customer service reps	·BLS family budgets ·Census student surveys	·BEOG ($475 in non-institutional housing)	·National summaries (ACT/CSS)
FOOD (groceries, local restaurants, food stamps)	item may be collected	Item may be collected	Item may be collected	·Institutional food plans	·Campus cafeteria manager ·Home economics faculty	·Agriculture extension (cost projections ·Food stamp agency ·Published cost surveys	·BLS family budgets ·USDA food plans	·BEOG ($625 in non-institutional food plans)	·National summaries (ACT/CSS)

(SOURCES OF DATA FOR SPECIFIC STUDENT EXPENSE ITEMS, cont., pg. 3)

Expense Items	Methods and/or Data Sources								
	INSTITUTIONAL						NON-INSTITUTIONAL		
	Student Reported			Local Secondary Sources			Government Sources		Other
	Student Estimates	Student Expense surveys	Student Diaries or Ledgers	Published Institutional Sources	Institutional Staff and Student Expertise	Local Community Research	Budgets Indices, and Research	Federal, State Regulations	Non-Institutional
TRANSPORTATION (car expenses--gas, insurance, repairs, tags, auto debt; public transportation, long distance travel)	item may be collected	item may be collected	item may be collected	·Parking fees	·Cost surveys* ·Bursar (parking fees)	·AAA (local automobile cost per mile ·Public transportation rates	·Department of Transportation (DOT indices)	·BEOG (part of "miscellaneous expenses)	·National summaries (ACT/CSS)
MEDICAL/DENTAL (insurance, medication, psychological counseling, prenatal care)	Item may be collected	Item may be collected	item may be collected	·Health Insurance ·College pharmacy costs	·Cost surveys* Bursar ·Home economics faculty	·Community health clinics or doctors (esp. pre-natal care) ·Published cost surveys	·DHEW price Indices ·BLS family budgets		·AMA ·National summaries (CSS)
LIFE INSURANCE	Item may be collected	Item may be collected	Item may be collected		·Business, home economics faculty ·Cost surveys*	·Local insurance agents ·Published cost surveys	·BLS family budgets		
CHILD MAINTENANCE COSTS (including baby sitting, school lunches, private school fees, day care)	Item may be collected	Item may be collected	Item may be collected	·Institutional day care facilities	·Cost surveys* Home economics faculty	·Child care centers	·BLS family budgets [illegible]		·National summaries (CSS)

(SOURCES OF DATA FOR SPECIFIC STUDENT EXPENSE ITEMS, cont., pg. 4)

Expense Items	Methods and/or Data Sources								
	INSTITUTIONAL						NON-INSTITUTIONAL		
	Student Reported			Local Secondary Sources			Government Sources		Other
	Student Estimates	Student Expense surveys	Student Diaries or Ledgers	Published Institutional Sources	Institutional Staff and Student Expertise	Local Community Research	Budgets Indices, and Research	Federal, State Regulations	Non-Institutional
CLOTHING (including laundry)	item may be collected	item may be collected	item may be collected		·Cost surveys* ·Home economics faculty	·Local store managers	·BLS family budgets		·National summaries (CSS)
RECREATION, ENTERTAINMENT (movies, concerts, leisure reading, sports)	Item may be collected	Item may be collected	Item may be collected	·On-campus events with admission fees	·Bursar ·Cost surveys* ·Home economics faculty	·Published cost surveys	·BLS family budgets		
PERSONAL EXPENSES (grooming aids, legal fees, charitable contributions)	Item may be collected	Item may be collected	Item may be collected		·Cost surveys* ·Home economics faculty	·Published cost surveys	·BLS family budgets		
FAMILY SUPPORT (parent/siblings; alimony/child support)	Item may be collected	Item may be collected	Item may be collected						
DEBT (medical, educational debts; past debt on furnishings)	Item may be collected	Item may be collected	Item may be collected		·Bursar (minimum educational debt repayment)				

(SOURCES OF DATA FOR SPECIFIC STUDENT EXPENSE ITEMS, cont., pg. 5)

Expense Items	Methods and/or Data Sources								
	INSTITUTIONAL						NON-INSTITUTIONAL		
	Student Reported			Local Secondary Sources			Government Sources		Other
	Student Estimates	Student Expense surveys	Student Diaries or Ledgers	Published Institutional Sources	Institutional Staff and Student Expertise	Local Community Research	Budgets Indices, and Research	Federal, State Regulations	Non-Institutional
SPECIAL EDUCATIONAL COSTS (physically disabled, tutor)	Item may be collected	Item may be collected	Item may be collected		·Individual academic departments (tutoring fees)	·Voc-Rehab agencies ·Classified ads in community newspapers (tutoring fees)			
SPOUSE'S EDUCATIONAL COSTS (tuition, fees, books, supplies, transportation)	Item may be collected	Item may be collected	Item may be collected	·Tuition and fee schedule (if same school)	·Bursar (if same school)	·College Handbook (tuition) ·(same as for student)			

*Cost surveys collect information on the local market prices of specific expenditure items. Frequently, these surveys can be conducted at very low cost with the cooperation of business, economics, home economics, or other academic staff and their classes. Student government, Interfraternity and Panhellenic Councils, and Residence Hall groups can also be asked to assist in these surveys.

EXPENDITURE DIARY SURVEY
Office of Student Affairs
Research

CODE # 09

Please check all responses and answer all question that apply to you.

1. Student Status
New ___ Continuing ✓
Dependent ___ Independent ___
Frosh ___ Soph ✓ Jr ___
Sen ___ Grad ___ Law ___

2. How old were you on your last birthday? 19

3. Marital Status
Single ✓
Single Parent ___ (No. of Children ___)
Married ___ (No. of Children ___)
Spouse Employed? ___ Yes ___ No
Occupation ___

4. Housing Status
U.C. Dormatory* ___ U.C. Married Student Housing ___
Coop* ✓ Fraternity/Sorority* ___
*How many meals are served at your housing unit each week? 19 meals/week
Rental Apartment off-campus ___
How many roommates/family members? ___
How many bedrooms? ___
House ___
How many bedrooms? ___
How many roommates/family members? ___
Do you own or rent? ___
City of Residence Berkeley

5. Ethnic Identification (Optional): ___

6. Academic Major: Civil Engineering

FOOD AND HOUSEHOLD SUPPLIES

Record all purchases made at the grocery store under the appropriate column heading whether for food, cleaning supplies or other non-food items. Do not record elsewhere in the diary those non-food items which are included here.

Grocery Store Purchases		Lunches Purchased on or Near Campus		Snacks Purchased on Campus/From Machines		Dinners or Weekend Meals in Restaurants	
Date	Amount	Date	Amount	Date	Amount	Date	Amount
10-17	$2.07 R			10-1/10-4	$ .20	10-1	$ 1.50
11-13	$ 1.86 c			10-6	$ 1.50	10-5	$ 2.00
11-16	$ 3 98 R			10-7	$ .30	10-17	$ 2 10
11-24	$ 3.95 c			10-11	$ .55	10-18	$ 5.25
				10-15	$ .40	10-26	$ 3.00
				10-17	$ .50	10-31	$ 4.00
				10-20	$ 1 10	11-6	$ 2.60
				10-24	$ 1.05	11-23	$ 8.00
				10-27	$ .35		
				10-28	$ .25		
				10-30	$ .10		
				11-8	$ .40		
				11-9	$ 2.11		
				11-11	$ .10		
				11-12	$ .40		
				11-15	$ .25		
				11-21	$ .40		
				11-24	$ .30		
				11-25	$ .40		

R = Receipt included

FOOD AND HOUSEHOLD SUPPLIES

Record all purchases made at the grocery store under the appropriate column heading whether for food, cleaning supplies or other non-food items. Do not record elsewhere in the diary those non-food items which are included here.

Grocery Store Purchases		Lunches Purchased on or Near Campus		Snacks Purchased on Campus/From Machines		Dinners or Weekend Meals in Restaurants	
Date	Amount	Date	Amount	Date	Amount	Date	Amount

HOUSING EXPENSES

Where the total cost for housing (e.g. rent) and/or utilities are shared with roommates, record only your "share" of the costs and not the total paid by all. For home owners, record the total monthly mortgage and tax payments you are responsible for.

Monthly Rent/Mortgage and Tax Payments for House or Apartment

for the month of October were ____________

for the month of November were ____________

FOR RENTERS ONLY: Which of the following deposits were required at the beginning of the lease or rental agreement? How much was your share?

	Required	Amount
A. Last month's rent		
B. Security/Cleaning		
C. Other(please specify)		

Dormatory Fees per Month / [✓ Quarter] / Year (Circle One)

$303.00 / $101/month

Utilities	October	November	Initial Installation Charge or Deposit Recently Paid
A. Pacific Gas & Electric			
B. Pacific Telephone			
C. East Bay MUD			
D. Refuse Collection			
House Bill	$4.00	$4.00	

(includes a fixed rate for all members of House to pay for newspapers, ping pong balls, and snacks; also includes telephone bill (6¢ per call)

BOOKS AND SUPPLIES

Record the cost of all required texts for your current classes whether you choose to purchase them or not. Under the Miscellaneous category, include the costs of items like art studio fees, lab fees, drafting tools, electronic calculators, etc. which are not recorded in either the "Books" or "Supplies" columns.

Books for All Classes		Supplies (pens, pencils, paper, etc.)		Miscellaneous	
Date	Amount	Date	Amount	Date	Amount
10-1	$ 3.95	10-6	$1.48 R	10-11	$17.15 R drafting supplies
10-1	$ 15.90	10-11	$1.16 R	10-11	$ 16.49 desk lamp
10-6	$ 31.95 R	10-16	$3.46 R paper	10-13	$ 3.83 R
10-6	$ 2.43	10-16	$1.07 R	10-23	$ 5.43 R
10-8	$ 1.42	11-3	$.21 R	10-30	$ 13.79 R book rack
10-13	$ 1.75	11-4	$ 2.10 R	11-5	$ 6.00
10-14	$ 6.34 R	11-6	$ 2.09	11-16	$ 2.04

PERSONAL ITEMS

Toiletries, Haircuts		Laundry and Dry Cleaning		Entertainment/Recreation	
DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
10-20	$2.07R	10-12	$1.45	11-21	$1.50
		11-15	$ .90		

TRANSPORTATION

Record expenses for public transit for periods of several days at a time, rather than each day. Under the "Date" heading in that category, record the period covered by the summed cost figure (e.g. 10/1-10/4 $2.00).

Public Transportation		Gasoline for Auto		Maintenance for Auto	
Date	Amount	Date	Amount	Date	Amount
10 1/10 4	$ .25	10 - 3	$5.00	11-15	$ 4.15 R
10-5/10-11	$. 35	10-31	$5.30		
10-12/10-10	$. 60	11 - 2	$ 4.50		
10-19/10-25	$. 60	11- 6	$ 5.15		
		11 - 13	$ 5.80		
		11 - 20	$ 4.46		
				10-27	$50 : deductable on insurance which may or may not be refunded

If you have auto insurance that you must pay, what is the annual premium?

$110.00

What is the cost of a round-trip between your home (e.g. your permanent residence) and Berkeley by the normal means of transportation you use?

Cost $7.00 Type of Transportation [illegible]

PERSONAL CLOTHING

Record the cost of all clothing items purchased, the date of purchase, and a brief description of the items, e.g. shoes, blouses, shirts, slacks, levis, etc. If you are married, record clothing purchases of your spouse here as well and designate them as such by placing an (S) after the amount recorded. Do not record cost of child's clothes here, but in the section provided.

Date	Amount	Description of Item(s)

MEDICAL EXPENSES YOU PAY FOR

Record expenses for medical care and maintenance for you and your family (where applicable) that is not covered by any insurance or health care program (e.g. Cowell, spouse's health care plan through employer, etc.). If you pay for insurance (major medical) or a health care plan of some sort, record that cost (per year) under Miscellaneous. Also under Miscellaneous include eye glasses, physical therapy, allergy shots and psychiatric treatment.

Doctor's/Dentist's Fees		X-Ray/Lab Work		Prescriptions, Vitamins and Miscellaneous		Hospital Charges	
Date	Amount	Date	Amount	Date	Amount	Date	Amount

DEPENDENT EXPENSES

Child Care/Babysitting		Children's Clothing		Miscellaneous Items (e.g. school supplies, recreation, etc.)	
Date	Amount	Date	Amount	Date	Amount

MISCELLANEOUS

Record those items you normally would purchase that have not been categorized elsewhere in the survey. Examples would include the following: newspaper/magazine subscriptions; records; books for pleasure reading; pet supplies and food; etc.

Date	Amount	Description of Item(s)
10-5	$1.00	stamps
10-5	$1.00	church contribution
10-12	$1.00	church contribation
10-13	$.35	picture hangers
10 13	$.31	poster clay
10-17	$5.00	five dollars to a friend towards drapes for their room
10-19	$1.00	church contribution
10 23	$.10	pay phone
10 28	$ 10	pay phone
11-4	$.10	pay phone
11-9	$1 00	church contribution
11-11	$.10	pay phone
11-15	$.25	parking meter
11-16	$1 00	church contribation
11-17	$2.25	money order to pay SAT scores sent to Cal. State Scholarship Commission
11-21	$.15	pay phone
11-25	$.35	Xerox copies

STUDENT EXPENDITURE DIARY SURVEY

MONTHLY SUMMARY

CASE # 09

	OCTOBER	NOVEMBER	AVERAGE
FOOD	25.97	25.75	25.86
HOUSING	105	105	105
BOOKS/SUPPLIES	128.10	12.45	70.28
PERSONAL ITEMS	3.52	2.40	2.96
TRANSPORTATION	12.10	23.76	17.93
CLOTHING	0	0	0
HEALTH CARE	0	0	0
DEPENDENT COSTS	NA	NA	NA
MISCELLANEOUS	9.86	5.20	7.53
TOTALS	286.55	174.56	229.56

MARITAL STATUS S NUMBER ROOMATES/FAMILY SIZE ______

Coop (19 meals/wk)

U.S.

FAQ.

College Scholarship Service
of the College Entrance Examination Board

Student Expense Study Service Questionnaire

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INSTRUCTIONS TO STUDENT

This institution is committed to using student budgets that reflect all the expenses of our students. These budgets are used to communicate with potential students and to make financial aid awards. To be sure that the budgets are correct, we are surveying a sample of our student body. Your responses to this questionnaire are important. We do not ask that you sign it, but we do ask that you estimate as accurately as you can. All responses will be kept confidential.

Two kinds of questions are asked. The first, mostly multiple-choice, help us construct budgets for students with different needs and spending patterns. For these questions specific answers are provided. Enter the number of the answer that best describes you or your situation in the box to the right of the answers.

The second kind of question requires you to provide actual dollar amounts. These may require a little more thought from you. When you answer these questions, be sure to:

.....enter your expenses *for the time period* indicated in each question. Some questions are for months and some for the year. It is important that you provide your expenditures for the period requested.

.....enter amounts in whole dollars only, and write your response to the right of the box as shown in the example below. For example, if your utility bill is $9.02, you should enter your response as 9 as shown below.

$ ☐ 9

.....enter amounts without the dollar sign ($) or comma (,). If your total budget was $2,750 you should enter 2750 as your response.

.....enter the real costs for each item, whether you pay them yourself, whether they are paid by your spouse or parents, or whether they are paid by the financial aid office for you.

PERSONAL CHARACTERISTICS

1. How old are you?

1. 17 or under
2. 18
3. 19
4. 20
5. 21
6. 22 to 24
7. 25 to 29
8. 30 to 39
9. 40 to 61
0. 62 or above

☐ 5

2. Are you

1. Female?
2. Male?

☐ 6

3. What is your current marital status?

1. Never married
2. Married
3. Separated, divorced, widowed, or other

☐ 7

4. What is your racial/ethnic background?

1. Black/Afro-American/Negro
2. Caucasian/White
3. Chicano/Mexican-American/Puerto Rican/Spanish-American/Other Spanish-Speaking American
4. Filipino
5. Native American/American Indian
6. Oriental/Asian-American
7. Other

☐ 8

5. How much are you currently receiving in financial aid (scholarship, grant, loan, or work-study)? Do not include G.I. Bill, Social Security, or other similar government benefits.

1. None
2. $1 to $500
3. $501 to $1,000
4. $1,001 to $1,500
5. $1,501 to $2,000
6. $2,001 to $2,500
7. $2,501 to $3,000
8. $3,001 or above

☐ 9

6. What were your gross earnings from employment during the summer of 1976?

$ ☐☐☐☐
10 12

7. How much were you able to save from what you earned in the summer of 1976?

$ ☐☐☐☐
13 15

Use the following responses for questions 8, 9, and 10.

1. Yes for all 3 years
2. Yes for 1975, but no for 1976 and 1977
3. Yes for 1975 and 1976, but no for 1977
4. No for all 3 years

8. During the period from January 1 to December 31 in 1975, 1976, and 1977, did you live or do you expect to live with your parents or guardians for any period of more than two consecutive weeks?

☐ 16

9. Were you listed as an exemption on your parents' or guardians' federal income tax return for 1975, or do you expect to be listed as an exemption for 1976 or 1977?

☐ 17

10. Did you receive $600 or more in support from your parents or guardians in 1975, or do you expect to receive $600 or more in 1976 or 1977?

☐ 18

11. What is your current class level?

1. Freshman
2. Sophomore
3. Junior
4. Senior
5. Graduate or professional
6. I attend a proprietary institution that does not use these ranks

☐ 19

12. How many credit units are you currently carrying? If you are enrolled in a proprietary institution which does not use credit units, enter the number of hours per week you attend class.

☐☐
20 21

13. How many months will you be enrolled at this institution between July 1, 1976, and June 30, 1977?

☐☐
22 23

14. Are you classified as a non-resident (from a different state or from outside the district) for the purpose of paying tuition and fees?

1. Yes
2. No
3. This does not apply to my institution

☐ 24

BOOKS AND SUPPLIES

15. How much do your books, supplies, and required course materials cost for ***a term*** (semester, quarter, etc.)? If you are enrolled in a proprietary institution, how much will you spend ***between July 1, 1976, and June 30, 1977***?

$ ☐☐☐
25 27

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June 1976

PLEASE CONTINUE ON THE BACK

Some of the following questions ask you to indicate specific amounts for various kinds of expenditures. If you are married, enter the total for yourself, your spouse, and your children if any. If you share your expenses with someone other than your spouse or children, enter only your own share of the expenses.

MAINTENANCE EXPENSES

16. How many people are dependent on you (or your spouse if married) for financial support? Be sure to include yourself. ☐ 28

17. Where are you living?
    1. Residence hall
    2. Campus-owned apartment
    3. Private apartment or home (rented)
    4. Room in private home
    5. Co-op
    6. Parents' or relatives' home
    7. House which you are purchasing
    8. Other

☐ 29

These two questions are only for those who contract for room and board for a term or longer. If you answer these two, then skip to question 22.

18. How much will it cost you for room and board ***between July 1, 1976, and June 30, 1977***? $ ☐☐☐☐ 30 32

19. How much does it cost ***each month*** for meals that are not included in your room and board and for snacks, soda, etc.? $ ☐☐☐ 33 35

These two questions are only for those who pay room and board separately by the week or month. Do not answer them if you answered questions 18 & 19.

20. How much does it cost ***each month*** for room (rent, house payment, etc.)? $ ☐☐☐ 36 38

21. How much does it cost ***each month*** for food, including meals on campus or in a restaurant? $ ☐☐☐ 39 41

22. How much do you spend ***each month*** for utilities, including telephone? $ ☐☐ 42 43

TRANSPORTATION EXPENSES

Use the following responses for questions 23, 24, and 25:

1. Walk
2. Bicycle
3. Car or motorcycle
4. Public transportation or shuttle bus
5. Other

23. How do you get from your residence to the campus? $ ☐ 44

24. If you have a job while you are in school, how do you get to work? $ ☐ 45

25. What means of transportation do you use to do most of your shopping? $ ☐ 46

26. How far from campus is the place where you live while in school? (Enter the number of miles. If you live on campus enter 0.) $ ☐☐ 47 48

27. How would you describe your daily transportation needs?
    1. Mostly to get from home to campus each day
    2. Mostly to get from home to work
    3. Mostly to get from home to campus ***and*** to get to work
    4. Mostly for personal and recreation needs

$ ☐ 49

28. Where do you work during the school year?
    1. On-campus
    2. Off-campus
    3. I work both on-campus and off-campus
    4. I do not have a job during the school year

$ ☐ 50

29. How much do you spend ***each month*** for transportation for all purposes (include car payment, gas, oil, and insurance if you use a car)? $ ☐☐☐ 51 52

These three questions are only for those who own a car. If you do not own a car, skip to question 33.

30. How old is your car (enter age in years)? ☐ 53

31. What are your ***monthly*** car payments (if your car is fully paid enter 0)? $ ☐☐☐ 54 55

32. What do you pay for car insurance ***each year***? $ ☐☐☐ 56 57

PERSONAL AND RECREATIONAL EXPENSE

33. Do you have health insurance?
    1. Yes, through my parents' coverage
    2. Yes, through the institution I attend
    3. Yes, through my employer
    4. Yes, but I pay the total cost myself
    5. No, I do not have health insurance

☐ 58

34. If you pay for your own health insurance, what are your ***monthly*** premiums? $ ☐☐ 59 60

35. How much did you spend in the ***last twelve months*** for medical and dental care? $ ☐☐☐ 61 62

36. How much do you spend ***each month*** for household supplies (soap, shampoo, etc.), laundry, dry cleaning, and entertainment (movies, dates, concerts, records, tapes, etc.)? $ ☐☐☐ 63 64

37. How much do you spend ***each year*** for clothing? $ ☐☐☐ 65 66

38. How much do you pay ***each month*** to repay loans (do not include car payments or automobile insurance)? $ ☐☐☐ 67 68

39. How much do you spend ***each month*** for child care (babysitter, co-op, nursery school, etc.)? $ ☐☐☐ 69 70

TOTAL EXPENSES

40. How much would you estimate that it costs you to live and go to school this year (be sure to include all your expenses whether paid by you, your parents, your spouse, or covered by financial aid)? $ ☐☐☐☐ 71 73

41. How would you describe your standard of living while you are going to school?
    1. Low
    2. Moderate
    3. Good
    4. High

☐ 74

ADDITIONAL QUESTIONS

If you have been asked to answer any additional questions use the boxes below to record your responses.

A ☐ 75 B ☐ 76 C ☐ 77 D ☐ 78 E ☐ 79 F ☐ 80

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SFS

COLLEGE SCHOLARSHIP SERVICE
OF THE COLLEGE ENTRANCE EXAMINATION BOARD

Student's Financial Statement

Academic Year 1976-77

What is the SFS?

The SFS is filed by students like you who are applying for financial aid for the academic year 1976-77. You submit the SFS to the College Scholarship Service (CSS), an activity of the College Entrance Examination Board, where it is analyzed. The information you report on the SFS is considered confidential and is sent with an accompanying analysis only to the recipients you designate.

The SFS assists post-high-school institutions and scholarship programs in evaluating your need for financial aid. The decision to award financial aid rests with the individual institutions and programs which inform students directly whether or not they are eligible for financial aid. Some may also request completion of a separate financial aid application.

When do the student's parents complete the parents' section of the SFS?

If you answer YES to ANY of SFS items 7, 8, or 9 for ANY of the years, your parents MUST complete the parents' section of the SFS. For purposes of responding to these questions, the word "parents" refers to your mother or father or any person (except your spouse) who provides or did provide more than one-half of your support.

Even if you answer NO to all three items for all years, the institution you are applying to may require parents' information. You should follow any specific instructions you receive from the institution or agency.

When parents' information is required and your parents are separated or divorced, the parents' section of the SFS should be completed by the parent (and parent's present spouse, if any) who has (or had) custody of you.

Accuracy of the SFS

In the interest of equity and fairness, it is important that you provide accurate and complete information on the SFS. Failure to do so may jeopardize your request for financial aid.

In order to ensure that accurate data are reported on the SFS, the CSS may request authorization to obtain an official copy of your (or your parents') 1975 U.S. income tax return from the Internal Revenue Service. *Do not send any income tax returns to the CSS.* Any tax returns obtained by using the authorization are confidential and are not sent to the institutions and programs you list. Some institutions and programs may request that you send a copy of your (or your parents') income tax return directly to them.

Before mailing the SFS

- Check to be sure you have not left blank items 19, 30-43, and the parental information, if applicable. *CSS will return the SFS if these areas are not completed.*
- Sign the SFS yourself and also have your spouse sign, if applicable.
- Parents should sign the certification of items 7, 8, and 9 in all cases and of parental data when provided.
- Fold the SFS so that pages 2 and 3 are facing out.
- Be certain to enclose your check or money order, made payable to the CSS, with the completed form. If the SFS is submitted without the correct fee, it will be returned to you. *Please do not send cash.* The processing fee is $3.75 for the first institution or program listed in item 19 and $2.25 for each additional one. This fee covers the cost of analyzing the SFS and of sending a copy of the SFS and the analysis to the institutions and programs listed.
- For your convenience, make a copy of your completed SFS to keep for your records.

Mailing the SFS

Mail your completed SFS to the CSS, Box 300, Berkeley, CA 94701. The SFS should be mailed at least one month before the earliest financial aid deadline and not after February 15, 1977.

After filing the SFS

Changes in circumstances. If your family circumstances change after your SFS has been submitted, notify the institutions and programs you listed to receive the SFS. Do not notify the CSS since it does not retain the SFS.

Designating another institution or program. If you later wish to have an SFS sent to institutions or programs other than those you originally listed, you must fully complete another SFS and submit it to CSS with the proper fee.

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STUDENT'S FINANCIAL STATEMENT
Academic Year 1976-77

Use black or dark ink. Do NOT use pencil.

Check the box next to the number of institutions and programs entered in item 19 below and enclose the fee indicated.

1 ☐ $3.75 3 ☐ $ 8.25 5 ☐ $12.75
2 ☐ $6.00 4 ☐ $10.50 6 ☐ $15.00

STUDENT'S (AND SPOUSE'S) INFORMATION

1. STUDENT'S NAME: STUDENT'S LAST NAME ▲ STUDENT'S FIRST NAME ▲ MID INIT | SEX 1 ☐ M 2 ☐ F | STUDENT'S DATE OF BIRTH MONTH DAY YEAR | STUDENT'S SOCIAL SECURITY NUMBER

2. STUDENT'S PERMANENT MAILING ADDRESS: NUMBER, STREET, AND APARTMENT NUMBER | CITY | STATE | ZIP CODE

3. Is student a U.S. citizen or a permanent resident? YES ☐ 1 NO ☐ 2
If appropriate, enter student's visa number

4. Student normally lives:
☐ alone ☐ with parent(s)
☐ with husband or wife ☐ with roommate(s)
☐ with children ☐ with relative(s)

5. Student's year in college or post-high-school institution during 1976-77: (Check only one box.)
FIRST ☐ 1 SECOND ☐ 2 THIRD ☐ 3 FOURTH OR FIFTH ☐ 4 GRADUATE/PROFESSIONAL ☐ 5
Expected date of graduation from Grad./Prof. school:

6. Name of institution student attended in 1975-76:

Student must answer each of the following questions for each year.

7. Did or will student live with parents for more than two consecutive weeks during
1975? Yes ☐ 1 No ☐ 2 1976? Yes ☐ 1 No ☐ 2 1977? Yes ☐ 1 No ☐ 2

8. Was (or will) student (be) listed as an exemption on parents' U.S. income tax return for
1975? Yes ☐ 1 No ☐ 2 1976? Yes ☐ 1 No ☐ 2 1977? Yes ☐ 1 No ☐ 2

9. Did or will student receive $600 or more of financial assistance from parents during
1975? Yes ☐ 1 No ☐ 2 1976? Yes ☐ 1 No ☐ 2 1977? Yes ☐ 1 No ☐ 2

10. Are both parents (or is guardian) deceased? No ☐ 1 Yes ☐ 2

11. Marital Status
1 ☐ Single
2 ☐ Married Date of Marriage: ____________
3 ☐ Separated, divorced, widowed
If student intends to marry during or before 1976-77, indicate intended date of marriage in (71)

12. Total number of exemptions claimed or to be claimed on student's 1975 U.S. income tax return: 1975 ☐

13. Total size of student's household (include the student named on this form, spouse, dependent children, other dependents): ☐

14. Total number of members of household, including the student named on this form, to be in college or other post-high-school educational institutions at least half-time during 1976-77: ☐

15. Enter at right names and ages of children entered in 12 and 13

NAME	AGE	NAME	AGE	NAME	AGE	NAME	AGE	NAME	AGE

16. Student's Occupation:
Student's Employer:

17. Spouse's Name:
Spouse's Occupation:

18. Name of institution spouse will attend during 1976-77:
Check here if financial aid applicant: ☐
Year in institution during 1976-77:

19. Enter the complete names and addresses of the institutions and programs to receive this form. Use (71) for additional listings.

NAME	CITY	STATE	CSS USE ONLY

STUDENT'S (AND SPOUSE'S) EXPENSES

Enter information in boxes only. Do not enter monthly amounts.

	CALENDAR YEAR 1975	SUMMER 1976 3 MONTHS	ESTIMATED ACADEMIC YR 1976-77 9 MONTHS
20 Student's tuition, fees, books, and supplies (See instructions.)	$	$	$
21 Spouse's tuition, fees, books, and supplies	$	$	$
22 Rent, mortgage, or room, including utilities	$	$	$
23 Food or board and household supplies	$	$	$
24 Clothing, laundry, and cleaning	$	$	$
(25) Transportation (Itemize in (71).)	$	$	$
(26) Medical and dental (Itemize in (71).)	$	$	$
(27) Casualty or theft loss(es) (See instructions. Itemize and give dollar amounts in (71).)	$	$	$
(28) Other expenses (Itemize in (71).)	$	$	$
29 TOTAL EXPENSES	$	$	$

STUDENT'S (AND SPOUSE'S) RESOURCES

Enter information in boxes only. Do not enter monthly amounts.

	CALENDAR YEAR 1975	SUMMER 1976 3 MONTHS	ESTIMATED ACADEMIC YR 1976-77 9 MONTHS
30. Student's wages, salaries, tips, etc. (before taxes and deductions) Do not include work-study for which you are applying	$	$	$
31. Spouse's wages, salaries, tips, etc. (before taxes and deductions)	$	$	$
(32) Other taxable income (Itemize in (71).)	$	$	$
33. Adjusted gross income(s) (from IRS 1040 or 1040A for 1975)	$		
34. Financial assistance from student's parents	$	$	$
35. Financial assistance from spouse's parents	$	$	$
(36) Grants, scholarships, educational loans (Itemize; give source and dollar amount in (71).) Include only the grants, scholarships, loans you actually have been awarded.	$	$	$
37. Social security educational benefits	$	$	$
38. Veterans-GI Bill educational benefits	$	$	$
(39) Other nontaxable income and benefits (social security, child support, etc.) (Itemize in (71).)	$	$	$
40. TOTAL RESOURCES (sum of all income listed above)	$	$	$
41. U.S. income tax paid or to be paid	$	$	$
42. FICA, state, and local income and property taxes	$	$	$
43. AVAILABLE RESOURCES (Subtract 41 and 42 from 40.)	$	$	$

IF AVAILABLE RESOURCES FOR CALENDAR YEAR 1975 ARE LESS THAN TOTAL EXPENSES, EXPLAIN DISCREPANCY IN (71)

STUDENT'S (AND SPOUSE'S) ASSETS AND INDEBTEDNESS

	ESTIMATE OF PRESENT MARKET VALUE	UNPAID MORTGAGE PRINCIPAL OR DEBTS
44 Home if owned or being purchased YEAR PURCHASED 19____ PURCHASE PRICE $____	$	$
(45) Other real estate (Describe in (71).)	$	$
(46) Investments (stocks, bonds, and other securities) (Itemize and give dollar amounts in (71).)	$	$

	TOTAL ASSETS	TOTAL INDEBTEDNESS	PERCENT OF OWNERSHIP
(47) Business or farm, if owned (Describe in (71).)	$	$	%

48. Cash, savings, and checking accounts as of June 1, 1976 → $

(49) Other debts outstanding (Do not include any debts entered above. See instructions. Itemize, state purpose, and give dollar amounts in (71).) → $

PARENTS' INFORMATION

FATHER, STEPFATHER, OR MALE GUARDIAN		MOTHER, STEPMOTHER, OR FEMALE GUARDIAN	
50. Name	Age	51. Name	Age
Home address	Zip Code:	Home address	Zip Code:
Occupation	SS #:	Occupation	SS #:

52. Parents' current marital status (Check only one box.)
1 ☐ Married
2 ☐ Separated
3 ☐ Divorced
4 ☐ Mother living, father deceased
5 ☐ Father living, mother deceased
6 ☐ Other (If you checked "Other," explain in (71).)

53. Enter total number of exemptions claimed or to be claimed on parents' 1975 U.S. income tax return. (Do not leave blank. Enter 0 if you did not or will not file a 1975 U.S. income tax return.) 1975 ☐

Have you filed your 1975 U.S. income tax return? Yes ☐ 1 No ☐ 2

54. Enter total size of parents' household. (Include the student if he is a member of the household-parents, other dependent children, other dependents. Do not leave blank and do not enter zero; list all children by name in (70).) ☐

If student applicant is not included because he is no longer a member of your household, check here ☐

55. Enter number of members of parents' household, including the student named on this form, to be in college or other post-high-school educational institutions at least half-time during 1976-77. (Do not leave blank and do not enter zero.) 1976-77 ☐

PARENTS' ANNUAL INCOME AND EXPENSES

Enter annual amounts in boxes only.

	1975	ESTIMATED 1976
(56) Taxable income before deductions A. Wages, salaries, tips, and other compensation Father, stepfather, or male guardian	$	$
Mother, stepmother, or female guardian	$	$
B. Dividends	$	$
C. Interest income	$	$
D. Taxable income other than wages, dividends, and interest (Itemize and give dollar amounts in (71).)	$	$
(57) Adjustments to income such as "sick pay," moving expenses, etc. (Itemize and give dollar amounts in (71).)	$	$
(58) Nontaxable income A. Social security benefits	$	$
B. Other nontaxable income (welfare, child support, veterans benefits, etc.)	$	$
(59) Medical and dental expenses not covered by insurance (See instructions, itemize, and give dollar amounts in (71).)	$	$
(60) Casualty or theft loss(es) (See instructions. Itemize and give dollar amounts in (71).)	$	$
(61) IRS itemized deductions (See instructions.)	$	$
62. U.S. income tax paid (See instructions. Do not include any tax overpaid.)	$	$
(63) Other unusual expenses (See instructions. Itemize and give dollar amounts in (71).)	$	$

PARENTS' ASSETS AND INDEBTEDNESS

Enter information in boxes only.

	ESTIMATE OF PRESENT MARKET VALUE	UNPAID MORTGAGE PRINCIPAL OR DEBTS
64. Home if owned or being purchased YEAR PURCHASED 19___ PURCHASE PRICE $___	$	$
(65) Other real estate (Describe in (71).)	$	$
(66) Investments (Stocks, bonds, and other securities.) (Itemize and give dollar amounts in (71).)	$	$
67. Cash, savings, and checking accounts		$
(68) Business or farm, if owned (Complete A, B, and C below.) (Describe in (71).) A. Total assets of business or farm		$
B. Total indebtedness of business or farm		$
C. Percent of ownership of business or farm		%
(69) Other debts outstanding (Do not include any debts entered above. See instructions. Itemize, state purpose, and give dollar amounts in (71).)	$	

70. PARENTS' ADDITIONAL INFORMATION
Provide below information for all children you entered in 54.

A. Name	B. Age	C. Check if living with family	D. Name of institution to be attended in 1976-77	E. Year in school or college in 1976-77	F. Tuition and fees
1 STUDENT APPLICANT			SAME AS ITEM 19		$
2					$
3					$
4					$

IF YOU NEED ADDITIONAL SPACE, USE (71)

(71) **Use this space to explain all circled items and any unusual circumstances.**

PARENTS' CERTIFICATION AND AUTHORIZATION SHOULD BE SIGNED BY PARENTS WHETHER OR NOT PARENTS' INFORMATION IS PROVIDED →

STUDENT'S AND SPOUSE'S CERTIFICATION AND AUTHORIZATION

I (We) declare that the information reported is true, correct, and complete. I (We) authorize transmittal of copies of this form to the recipients named in item 19 and the use of this form by the CSS as described on the cover of the SFS. I (We) agree that to verify information reported, the CSS or any of the named recipients may request or obtain an official photostatic copy of our latest state or U.S. income tax return. I (We) further agree to provide, if requested, any other official documentation necessary to verify information reported.

Signature(s) ____________________
of student DATE
and spouse ____________________
DATE

WARNING: If this form is to be used in the process of establishing eligibility for federal student aid funds, you should know that intentionally false statements or misrepresentation may subject the filer to a fine or imprisonment, or to both, under provisions of the United States Criminal Code.

PARENTS' CERTIFICATION AND AUTHORIZATION

We declare that the responses to items 7, 8, and 9 and parental information, if provided, are true, correct, and complete.

If parents' information has been provided, we authorize the use of this form by the CSS as described on the cover of the SFS. We agree that to verify the information reported, the CSS or any of the named recipients may request or obtain an official photostatic copy of our latest state or U.S. income tax return. We further agree to provide, if requested, any other official documentation necessary to verify the information reported.

To assist in the determination of financial need, we authorize the recipients named in item 19 to discuss the parents' information contained on this form with the student. YES ☐ NO ☐

Signatures of ____________________
both parents DATE
(or guardian) ____________________
DATE

Be certain to enclose check or money order payable to CSS: $3.75 for the first institution or program listed and $2.25 for each additional listing.

Instructions for Completing the SFS

It is important that you complete all items on the SFS according to the following instructions. This will help avoid delays in processing.

- Please type or print all entries in black or dark ink; do not use a pencil.
- Enter each response in the proper area. Do not make entries outside boxes or enter more than one set of figures in a box.
- Enter amounts in dollars; omit cents. Do not use commas between dollar values. For example, if wages, salaries, tips, etc. are $1,432.78, enter $1432.
- Do not leave dollar items blank. Enter a zero (0) where appropriate. Do not use words such as "unknown," "none," or "same." If the actual amounts are not available or if you have not filed your 1975 U.S. income tax return, provide your best estimates. Use (71) to explain all circled items and any unusual family circumstances.

Student's (and Spouse's) Information

ITEM 1: Be sure to include your date of birth and social security number.

Student's (and Spouse's) Expenses

ITEM 20: *If you listed more than one institution in 19, do not make any entry in item 20 for 1976-77.*

ITEMS 22 and **23:** If you pay a combined room and board fee, estimate the value of *each*. Do not enter a combined amount.

ITEM ㉕ : Enter all expenses associated with transportation — for example, car payments, upkeep, insurance, and bus fare — and itemize in (71).

ITEM ㉖ : Enter all medical and dental expenses not covered by insurance. Itemize in (71).

ITEM ㉗ : Casualty or theft loss(es) should be the amount entered on your 1975 return, Schedule A or the sum of the amount of each loss not covered by insurance, due to theft or property loss or damage by fire, storm, car accident, shipwreck, etc., minus $100 from the amount of each loss.

ITEM ㉘ : Enter the total of other expenses not previously listed and exclusive of taxes, such as child care, debt repayment, necessary furnishings, recreation, dependent children's tuition at fee-charging elementary and secondary schools, life insurance, child support or alimony paid, and personal expenses. Itemize in (71).

Student's (and Spouse's) Resources

ITEM ㉜ : Enter all taxable income not previously reported, such as dividends, interest, alimony received, estate or trust income, business or farm profit, rental or property income, appreciation or capital gains, pensions, annuities, and endowments. Itemize in (71).

ITEM 33: If you are married and you and your spouse filed separately, enter the sum of your adjusted gross incomes. If you have yet to file a return for 1975 but plan to do so, enter the amount to be listed as adjusted gross income(s).

ITEMS 37 and **38:** Enter only the social security or Veterans Educational Assistance-GI Bill or War Orphan and Widow's Education Assistance Program benefits received because you are or will be a student during 1976-77.

ITEM ㊴ : Enter all other nontaxable income and benefits such as welfare, child support, social security (noneducational benefits), gifts, inheritances, allotments, or aid from friends or relatives. Also include any benefits from Vocational Rehabilitation, Manpower Development, and other similar types of assistance programs. Itemize in (71).

ITEM 41: For 1975, enter amount from the "income tax" line of your 1975 return. Enter a zero (0) if no tax was or will be paid.

Student's (and Spouse's) Assets and Indebtedness

ITEMS 44 and ㊺ : If home or other real estate is part of a business or farm, enter a zero (0) and include value in **47**. If other real estate is income-producing, include the net income received in **32**.

ITEM ㊾ : Do not include educational or consumer debts or any expenses or debts already listed. Include debts outstanding from 1974 or before such as medical and dental expenses, funeral expenses, and living expenses because of a prolonged illness or unemployment.

Parents' Information

ITEM (56) : For 1975, refer to the appropriate line of your 1975 U.S. income tax return, Form 1040 or 1040A. Report separate wages or salaries for each working parent. If actual amounts for 1975 are not available and if you have not filed your 1975 U.S. income tax return, give your best estimate. If the amounts entered for 1976 are lower by $2,000 or more than those given for 1975, explain in (71). If you own a business or farm, be certain to include the net profit (sole ownership) or ordinary income (partnership) in **56D**.

ITEM (57) : For 1975, enter amount from the "adjustments to income" line of your 1975 U.S. income tax return.

ITEM (58A): Enter the total annual amount of social security received for all members of the family. Be sure to include the student's social security benefits if you have answered YES to any of items 7, 8, or 9.

ITEM (58B): Enter the total annual amount of veterans benefits received for all members of the family *except* those received for the student or for other family members who are now or will be in college or post-high-school education during 1976-77. Veterans benefits to be received by the student should be entered in **38**. Also, enter welfare, unemployment compensation, child support received, military subsistence and quarters allowances, allotments, gifts, inheritances, bequests, aid from friends and relatives, and other nontaxable income such as free housing, food, and services.

ITEM (59) : For 1975, enter the sum of the "medicine and drugs" and "other medical and dental expenses" lines of your 1975 return, Schedule A. If you took a standard deduction or did not file a return, enter the actual amount of your total medical and dental expenses not covered by insurance. Do not enter the cost of your medical and dental insurance.

ITEM (60) : For 1975, enter amount from the "casualty or theft loss" line of your 1975 return, Schedule A. If you took a standard deduction or did not file a return, determine the amount of each loss not covered by insurance, due to theft or property loss or damage by fire, storm, car accident, shipwreck, etc.; subtract $100 from the amount of each loss; total the net amount of each such loss and enter the sum.

ITEM (61) : For 1975, enter amount from the "total deductions" line of your 1975 return, Schedule A. If you took a standard deduction or did not file a return, enter a zero (0).

ITEM 62: For 1975, enter amount from the "income tax" line of your 1975 return. Enter a zero (0) when no tax was paid.

ITEM (63) : Include other such unusual expenses (if not entered in **61**) as payments for alimony, child support, termite control, nursing home care, funerals, legal fees, and water, street, and sewer assessments (installation only).

Parents' Assets and Indebtedness

ITEMS 64 and (65) : If home or other real estate is part of a business or farm, enter a zero (0) and include the value in **68**. If other real estate is income-producing, include the net income in **56D**.

ITEM (69) : Do not include any expenses for 1975 already entered in **59-63** or any debt entered above. Include only debt outstanding from 1974 or before. Include such debts as past medical and dental expenses; remaining business indebtedness if business dissolved; funeral expenses; legal fees; educational indebtedness for parents' education; unreimbursed job-related moving expenses; natural disasters not covered by insurance; liens, and living expenses if business failure, prolonged illness, or unemployment have depleted assets and forced indebtedness. *Do not include any other type of debt outstanding.*

EXCERPTED FROM:

BEMIDJI STATE UNIVERSITY
1976-77 FINANCIAL AID APPLICATION

STEP 8 SUBMIT A COMPLETE BUDGET OF EXPENSES WITH YOUR APPLICATION

1. If appropriate, you may use the Sample 9-Month Budget below which is based upon costs of a Freshmen resident undergraduate student residing in a double room in the Residence Hall. Budgets above the $2500 maximum require detailed documentation. Commuter and Upperclassman budgets are normally less.
2. Married or Independent students are to complete the Independent Student Budget Form.
3. COSTS ARE SUBJECT TO CHANGE BY THE MINNESOTA STATE UNIVERSITY BOARD. IF COSTS CHANGE AFTER YOUR APPLICATION IS SUBMITTED, APPROPRIATE ADJUSTMENTS WILL BE MADE ON YOUR BUDGET BY THE FINANCIAL AIDS OFFICE, PROVIDING FUNDS ARE AVAILABLE TO DO SO.

Approximate Number of Weeks:	IISS 5	FALL 11	WINTER 11	SPRING 11	ISS 5	9 MO. SAMPLE BUDGET	YOUR TOTAL BUDGET	
Quarter Hour Credits per Term:	8	16	16	16	8	48		
Tuition & Fees Tuition: Resident Qtr. Hr. -$ 9.25 Non-resident Qtr. Hr.-$18.50 Required Fees per Qtr.-$40.00 New Student Deposit-$20.00 (Entering Qtr. only)		188	188	188		564	$	(A)
Books & Supplies		70	60	60		190		(B)
Room & Board Estimated (Double room in residence hall)		385	380	380		1145		(C)
Personal, Clothing, Laundry, Recreation, Health Care		180	180	180		540		(D)
Travel (One round trip only unless commuting)		20	20	21		61		(E)
TOTAL ESTIMATED EXPENSES		843	828	829		$2500	$	

INDEPENDENT STUDENT BUDGET

FINANCIAL AIDS OFFICE
Bemidji State University

Name ______________________________

Date ______________________________

DIRECTIONS: Submit a budget listing expenses for each quarter you will be attending school. A total family budget is required including all expenses of spouse and dependent children. If you are receiving AFDC or Welfare, list only school related costs.

	Approx. Number of Months	IISS 1.5	FALL 3	WINTER 3	SPRING 3	ISS 1.5	TOTAL 12	
EDUCATIONAL EXPENSES	TUITION & FEES							(A)
	BOOKS & SUPPLIES							(B)
BOARD & ROOM	RENT ELECTRICITY HEAT PHONE GROCERIES OR FOOD STAMPS							
	TOTAL BOARD & ROOM							(C)
PERSONAL EXPENSES	CLOTHING Student Spouse & Children Laundry							
	INSURANCE Hospitalization Life Insurance							
	MEDICAL Medication Doctor & Dentist							
	MISCELLANEOUS PERSONAL Babysitter Recreation & Grooming List other payments or obligations							
	TOTAL PERSONAL EXPENSES							(D)
TRANSPORTATION	BUS OR TAXI MOTOR VEHICLE (S) Payments Operation & Maintenance License & Insurance							
	TOTAL TRANSPORTATION							(E)
	TOTAL EXPENSES							*

* Enter TOTAL on Page 2, item 32 of the BSU Financial Aid Application.

Institutional Data Sheet (IDS)

One or more of your chosen institutions have requested that you complete this Institutional Data Sheet (IDS) and *mail it directly to the institution.* **DO NOT SEND THIS IDS TO ACT.**

If you received this IDS in the same envelope with your Student Financial Aid Report (SFAR) from ACT, determine which institutions have requested this IDS by looking at the "Reports Sent to" section of your SFAR. The words "REQUIRES INSTITUTIONAL DATA SHEET" appear next to each such institution's name and code number. Send one completed IDS to each institution requiring it. Note that your responses to several items (such as 4, 6, 21, 22, and 30) may differ for each institution to which you send an IDS.

DO NOT SEND the Student Financial Aid Report (SFAR) TO THE INSTITUTION. See the special instructions for the SFAR on its reverse side.

SEND THE IDS TO THE INSTITUTION, NOT TO ACT.

APPLICANT INFORMATION

① **Mr./Mrs./Miss/Ms:** ____________ last name ____________ first ____________ middle

② **Social Security number:** ____________

③ **Birth date:** ____________ month ____________ day ____________ year

④ **Address while attending this institution:** ____________ number ____________ street ____________ apt. no
____________ city ____________ state
____________ zip code ____________ telephone

5. **Permanent home address:** ____________ number ____________ street ____________ apt. no
____________ city ____________ state
____________ zip code ____________ telephone

⑥ **Where will you be living during the period of requested aid?**
1 ☐ On campus 2 ☐ With parents/guardian 3 ☐ Off campus
If you will live with parents/guardian or off campus, enter round-trip mileage to campus ____________

⑦ **Are you a U.S. citizen?** 1 ☐ Yes 2 ☐ No
If no, copy both sides of your Form I-151 or Form I-94 and send it with this IDS to the institution.

⑧ **Race or ethnic group:** *(This information is optional)*
1 ☐ Black/Afro-American
2 ☐ White/Caucasian-American
3 ☐ Asian/Oriental-American
4 ☐ American Indian/Native American—tribe & agency ____________
5 ☐ Spanish Surnamed, Chicano, Mexican American, Hispanic
6 ☐ Other—please specify ____________

9. **Are you now employed?** 1 ☐ Yes 2 ☐ No
If "YES," will your gross income be the same during the period aid is desired? 1 ☐ Yes 2 ☐ No
Will you need a job while in college? 1 ☐ Yes 2 ☐ No

10. **List all employment held during past 2 years** *(check if college work-study)*

Employer	Work-study	Nature of Work	From	To
	☐			
	☐			
	☐			

11. **Special skills or aptitudes you possess** *(typing, clerical, data processing, etc.)*:
____
____

12. **Auto to be driven in college:** ____________ year ____________ make ____________ model $ ____________ present value
Registered Owner: ____________ name ____________ date of purchase

MARRIED STUDENTS (OR SINGLE WITH DEPENDENTS)

⑬ **Number of dependent children:** ____________ **Ages:** ☐☐☐☐☐

Spouse's Name ____________ social security no. ____________ age
Address *(if different from yours)* ____________ apt. no.
____________ city ____________ state ____________ zip Phone ____________
Spouse's occupation ____________
Spouse's employer ____________
Date of Employment ____________ Present monthly gross earnings $ ____________
Spouse's monthly gross earnings at time award will be used $ ____________
Will spouse be a student during 1977-78? ☐ Yes ☐ No
If yes, ____________ name of school or college
Will spouse apply for financial aid during 1977-78? ☐ Yes ☐ No

PARENTAL INFORMATION

NOTE: The following MUST be completed by ALL APPLICANTS.

14. **Father/Stepfather Guardian Nearest relative** *(circle one above)* ____________ name ____________ age
____________ address—number and street
____________ city ____________ state
____________ zip code ____________ telephone
Occupation *(or previous, if retired)*: ____________
Employer: ____________ name ____________ city ____________ state **No. of Yrs. with:** ____________

15. **Mother/Stepmother Guardian Nearest relative** *(circle one above)* ____________ name ____________ age
____________ address—number and street
____________ city ____________ state
____________ zip code ____________ telephone
Occupation *(or previous, if retired)*: ____________
Employer: ____________ name ____________ city ____________ state **No. of Yrs. with:** ____________

(APPLICANT) ACADEMIC INFORMATION

16. **High school graduated from:** ____________

17. **Year graduated from high school:** ____________
OR— Year you received high school equivalent ____________

⑱ **Class LEVEL: 1977-78 academic year**
1 ☐ Entering freshman ☐ Continuing freshman
☐ Soph ☐ Jr ☐ Sr ☐ Grad
2 ☐ Continuing student this institution
3 ☐ Former student of this institution
4 ☐ New transfer from another institution

19. **College major:** ____________
Career choice: ____________

20. **List all educational institutions beyond high school you have attended (including present attendance) and credit earned:**

School	Credit Hours	Date From	Date To	Degree Received

(Also see Item 27.)

㉑ For tuition purposes, are you classified by the institution which will receive this form as a:
☐ State resident? ☐ Out-of-state student? ☐ No classification yet.

22. **When do you expect to graduate from this institution?** Month ____________ Year ____________

FINANCIAL INFORMATION

㉓ **Indicate YEAR by semester, quarter, and/or summer sessions for which funds are sought:**

Summer session   Fall term 19___   Spring term 19___

1st 19___   2nd 19___   Winter term 19___

Other term *(starting date)*__________ length of course __________

㉔ **Indicate financial aid preference:** *(enter 1 for first choice, etc.)*

___ Grant   ___ Long-term loan   ___ Part-time work

___ Academic Scholarship

___ Activity Scholarship *(name talent)* __________

___ Other *(specify)*__________

㉕ **Is this application based on financial need?**

1 ☐ Yes *(If "YES," a Family Financial Statement must be submitted to ACT)*

2 ☐ No, consider me *only* for aid not based on financial need *(no FFS necessary)*

㉖ **Are you currently, or will you be, receiving assistance from any of the following?**

1 ☐ Bureau of Indian Affairs   2 ☐ Neighborhood Youth Corp.

3 ☐ Upward-Bound   4 ☐ Migrant Opportunity Program   5 ☐ Talent Search

6 ☐ BEOG   7 ☐ State Scholarship Agency

CONTINUING OR TRANSFER STUDENTS ONLY

㉗ **List financial aid you have previously received**

	Institution	Amount	Date
Basic Educational Opportunity Grant		$	
National Defense/Direct Student Loan		$	
Supp. Educational Opportunity Grant		$	
College Work-Study		$	
Federally Insured Student Loan		$	
Nursing Student Scholarship		$	
Law Enforcement Education Grant/Loan		$	
Scholarship		$	
Health Profession Loan/Grant		$	

28. Have you ever filed or are you currently filing for bankruptcy?

1 ☐ Yes   2 ☐ No

29. Income available to meet expenses *(during term(s) financial aid is desired)*

Personal funds *(cash, savings, etc.)*	$
Private loans	$
Total summer earnings: $; *amount available for school*	$
Earnings while in school *(exclude College Work-Study)*	$
Parental support	$
Spouse's support	$
Scholarship received—Source:	$
Veteran's benefits/War Orphans benefits	$
Welfare benefits	$
Social Security	$
Alimony	$
Other income—Source:	$
Total income	$

30. Expenses for _____ months:

	1976-77 (Actual)	1977-78 (Estimated)
A. Tuition and fees	$	$
B. Housing	$	$
C. Food	$	$
D. Books and supplies	$	$
E. Clothing, linen, and laundry	$	$
F. Personal care	$	$
G. Medical care	$	$
H. Transportation *(two round-trip railroad or air coach fares if a resident student; total commuting expenses if a commuting student)*	$	$
I. Child care	$	$
J. Unusual expenses *(describe below)*	$	$
Total expenses	$	$

UNUSUAL CIRCUMSTANCES

If you feel that your FFS may present an unrealistic picture of your family's financial strength, explain here. Also describe any "unusual expenses" listed in J in Item 30 above. Attach an additional page if necessary.

AUTHORIZATION

We certify that to the best of our knowledge, the information contained in this statement is correct and complete. We agree that the college, school, or agency indicated has our permission to verify it. We also agree to release copies of our U.S. or State Income Tax Returns upon request to the college, school, or agency to which this form is sent. The applicant will notify the recipient of this form of any changes in his/her financial or marital status.

Name of College/School/Agency __________

SIGNATURES

Applicant __________ Date signed

Applicant's spouse __________ Date signed

Father or male guardian __________ Social Security no.

Mother or female guardian __________ Social Security no.

APPENDIX A

BUDGETING FEDERAL STUDENT FINANCIAL AID DOLLARS

APPENDIX A

BUDGETING FEDERAL STUDENT FINANCIAL AID DOLLARS

A01. INTRODUCTION

The observations presented in this appendix assume that "budgeting" has both limiting and distributing implications. Although the phrase "federal student financial aid dollars" can refer to a large number of student aid programs in whose funding and regulation the federal government is directly or indirectly involved, the focus here will be on the three campus-based programs (National Direct Student Loan, Supplemental Educational Opportunity Grant and College Work-Study) and the Basic Educational Opportunity Grant Program. Because limits are currently a matter of some interest within the financial aid community, the first section of these comments offers a review of several possible motives for limiting federal student aid dollars and the wisdom or justice of each. The second section deals with the means by which limits can be imposed. The last section deals with the distribution implications of budgeting federal student aid and advocates a specific means by which distribution ought to be accomplished.

Discussion of these questions is impossible without touching on some matters of deep and long-standing concern and controversy in the financial aid community. The assumption underlying the comments in this appendix is that all parties to these concerns are honorable and competent individuals who care deeply about a fair distribution of student aid. Much that is said here may be at odds with past or present federal policy, but none of it should reflect on the competence or concern of individuals.

A02. POSSIBLE MOTIVES FOR LIMITING FEDERAL STUDENT AID FUNDING

There are several seemingly attractive reasons for limiting the federal funding of individual aid packages or institutional funding, but all of them should be rejected. One argument for rationing is that it would curtail abuse of federal aid by financial aid officers. An example would be the aid officer who, with federal dollars, distributes aid based entirely on students' perceptions of their student expense budgets. Assuming that this practice represents an abuse of federal funds, limiting the availability of federal dollars would limit the potential for abuse. As will be explained below, limiting federal funds in packaging or institutional funding should be rejected as a proper mechanism for mitigating this abuse.

Another possible reason for setting limits could be to justify a more limited national appropriation of federal dollars since, at the outset, federal appropriations are currently insufficient. Limits on student or institutional funding would bring "legitimate" federal expenditures into line with available federal funds or could be used as a rationale for phasing out specific programs on which the limitation is imposed. However, limiting funds in order to demonstrate smaller institutional and national needs is a perversion of the more legitimate goal of demonstrating such needs as accurately and persuasively as possible, not only to ensure the equitable distribution of limited funds, but also to achieve the larger goal of justifying requests for truly adequate Congressional appropriations.

A third possible reason for setting limits might be to avoid or minimize inequities that currently exist from institution to institution because of varying degrees of sophistication among financial aid officers, because of varying lengths of institutional participation in the campus-based federal aid programs, because of varying institutional commitments to financial aid versus other institutional needs and because of inconsistencies in panel judgments from region to region. A fourth possible reason, allied to the third, is the use of limits as a replacement for the current means by which approved levels of institutional campus-based funding are established, the federal funds application. These last reasons represent the soundest arguments for imposing limits; but the remaining and critical question is how the limits should be imposed, or even whether limits, in the arbitrary sense, are justified at all.

A03. METHODS OF IMPOSING LIMITATIONS

One way to set limits, assuming limits are desirable, is to set fixed percentages or dollar limits on the federal aid component in each individual student's financial aid package. However, for several compelling reasons, setting limits on the federal component in individual packages is entirely inappropriate. To establish percentage limits would discriminate severely against students at institutions whose sole source of funding is federal aid dollars. To establish dollar limits would discriminate against students at high-cost institutions whose students frequently have high levels of need. Moreover, explicit limits are already established in the student eligibility provisions of each of the major federal aid programs; to superimpose further limits would be a serious violation of both the letter and the spirit of existing legislation. It should also be kept in mind that setting national limits on the federal component in individual aid packages could interfere legally and politically with the developing federal-state partnership in the distribution of student aid dollars, as currently exemplified by the State Student Incentive Grant Program.

In addition, implicit limits also currently exist which limit need and, by implication, the expenditure of federal dollars to satisfy that need. An example is the regulations which stipulate benchmarks controlling the calculation of parental contributions. Another example lies in the potential constraints which the Office of Education might impose on student expense budgets. Standardization of this sort, especially when developed in concert with practicing financial aid officers, serves as a means of imposing legitimate limits on all financial aid expenditures, including federal expenditures.

Individual package limits, as a way of distributing insufficient dollars, do have the attractiveness of administrative simplicity. However, as indicated above, the actual imposition of such limits would distort Congressionally-mandated limits and would create profound disruptions for students at many institutions.

Another problem that results from artificially imposed limits on the federal component in individual aid packages is that true needs are masked, especially for the inexperienced aid officer and the Congressman concerned with many other issues besides student aid. The aid officer and the Congressman may both be deceived into concluding that, somehow, these limits are a way of demonstrating realistic individual, institutional and national aggregate needs, when in fact they may bear no relation whatever to realistic needs.

Finally, to impose such limits implies that non-federal aid dollars are, or should be, spent before federal dollars. This position fails to reflect the often-declared intention of Congress to provide, through federal financial aid dollars, a primary means of access and choice to Americans seeking a postsecondary education. This is illustrated most specifically in the "threshold level" provisions of current federal legislations.

A04. DISTRIBUTION IMPLICATIONS OF BUDGETING FEDERAL STUDENT AID FUNDS

Assuming the validity of the discussion of this point--that limits to the federal component in individual financial aid packages are inappropriate--a way must still be found to distribute equitably the available federal funds. Moreover, individual packaging is inevitably influenced on every campus by the institutional federal funds which each financial aid officer has at his disposal. Therefore, the goal of equity in individual packaging can be achieved only if, at the institutional level, federal student aid dollars are distributed in the fairest possible manner. It is impossible, then, to address the problem of the federal role in individual aid packages without also addressing the problems of the federal role and mechanism for distribution of student aid funds to institutions.

Within each state, the specific method by which these funds are distributed should be essentially the system presently in use, with some critical modifications. If modified, the present system has the potential for compelling institutions to demonstrate aggregate needs in a clear and straightforward manner. The financial aid community long has accepted as an article of faith that costs minus resources equals needs. To ignore this equation is to pretend that equity can be achieved by automatically perpetuating present funding levels, or by the imposition of arbitrary limits on either individual aid packages or aggregate institutional funding. Devices like these are an unfortunate evasion of the necessarily difficult and critical task of examining the real needs of students at each institution. Determining need is not an exact science; at best, it is a difficult and imperfect art. Progress has been made, however; and further progress can be made toward the end of achieving something approximating greater equity than currently exists.

Nevertheless, it is true that the present application process, notwithstanding the indispensable virtue of its logic, contains serious deficiencies. Student expense budgets, family contributions and resources are estimated in a manner that is far too unreliable. Projections of total enrollments and the numbers of students having need are often fast and loose. Panel actions are, at best, inconsistent from region to region. These deficiencies are serious, but the important point is that they are not beyond repair.

Student expense budgets and family contributions can be standardized to a greater and legitimate extent. No better example of the practicality of this hope can be found than in the deliberations of the National Student Expense Budget Conference. The estimation of aggregate resources can be refined several ways. Resources whose existence cannot be verified--e.g., off-campus earnings--could perhaps be standardized and imputed. The examination of resources could further consider the possibility that different kinds of resources should be weighted in different ways.

These changes should be accompanied by the imposition of more stringent standards of enrollment and needy student projections at each institution. Documentation should be available in a specified format, and an examination of this document should be a part of every program review and audit. These more stringent documenting standards, combined with a greater reliance on standardized cost and family contribution data, may not eliminate entirely the aid officer who practices grantsmanship through the subtleties of exaggerated claims; but these changes will make it much more difficult for such an aid administrator to continue such practice. Also these changes may permit less reliance on the unavoidable vagaries and inconsistencies of the present panel approval process, although a role for panel judgments should clearly remain a part of the process. Finally, these changes would encourage a a complete and timely disclosure to the financial aid community of the entire panel mechanism, including instructions to panelists, in advance of panel deliberations.

Another aspect of the problem of equitably distributing available federal funds is the state allotment formulae, the means by which funds from the campus-based programs are distributed among the states. The Office of Education should carefully examine the effects of the state allotment formulae upon the distribution of federal student aid funds and, if warranted by such examination, should recommend alternatives to the Congress.

A05. SUMMARY

In summary, the best available mechanism for distribution of federal student aid dollars is something resembling the present long-form application, with changes of the sort suggested above. These changes should be considered as part of any long-range study of the federal role in student financial aid. If these changes are accompanied by an examination of the state allotment formulae, the financial aid profession will not only have taken a long step toward achieving a more equitable distribution of federal funds but will also have established a firm basis for requesting funds that truly meet aggregate needs which are convincingly demonstrated.

A06. MINORITY REPORT

The National Student Expense Budget Conference recognized a minority report from the committee working on the subject of this appendix. Specifically the minority report extended and amplified the statement, "The examination of resources could further consider the possibility that different kinds of resources should be weighted in different ways," (Supra, p. 124), by emphasizing the importance of this possibility relative to budgeting federal student financial aid dollars. The minority group held, with no serious reservation by the total working committee, that each institutional "resource," however hard or soft, results (under the present Tri-partite application process) in a dollar-for-dollar reduction in that institution's theoretical need for National Direct Student Loan, Supplemental Educational Opportunity Grant and College Work-Study dollars. An example of resources which the minority group believes to be "soft" is that some colleges, with a strong commitment to financial aid versus other institutional priorities, make up part of their shortage of financial aid funds by appropriating unrestricted institutional funds and student fees for financial aid expenditures. Often this is done even though the institution is operating at a deficit. This "resource" should not be considered as though it were as helpful to the institution as hard scholarship dollars, such as Basic Educational Opportunity Grants, state scholarships or institutionally endowed scholarship income. Another example is the fact that many Guaranteed Student Loans (and there will be many more in the future under the new $25,000 adjusted family income rule) are obtained by families in place of parental contributions. To fully count all Guaranteed Student Loans as institutional resources not only penalizes institutions which are dedicated to somehow meeting the demonstrated need of all students but also represents a literal double counting of resources in many cases, once as parental contribution and again as a Guaranteed Student Loan.

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APPENDIX B

A METHOD FOR TRAINING PERSONNEL IN THE PREPARATION OF STUDENT BUDGETS

APPENDIX B

A METHOD FOR TRAINING PERSONNEL IN THE PREPARATION OF STUDENT BUDGETS

B01. INTRODUCTION

The purpose of this appendix is to present recommendations regarding the training of financial aid administrators and other interested persons in the preparation of student budgets for use in the administration of student financial aid.

The first section of the appendix will address the question of the responsibility for training; and subsequent sections will treat the subjects of procedures and methods for training, a suggested time frame for training including where it should occur and the suggested content of the training program.

B02. RESPONSIBILITY FOR TRAINING

The overall responsibility for development and coordination of a national student budget training program should rest with the National Association of Student Financial Aid Administrators. The National Association should be supported, however, by regional and state associations of student financial aid administrators, state agencies, governmental and outside agencies, educational institutions and individual student financial aid administrators. The responsibility of each of these areas is discussed below.

A. NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

In fulfilling its responsibility for the development and coordination of a national student budget training program, the National Association should, first of all, develop a philosophy of budgeting. Further, it should develop and make available a budgeting manual as well as training materials for use in the training process.

Through the National Association's existing Commission on Training, the National Association should furnish the initial expertise to develop training teams that will implement the training at the state level. Throughout the training process, the National Association should also serve as a clearing house of publicizing and promoting the training.

B. REGIONAL ASSOCIATIONS OF STUDENT FINANCIAL AID ADMINISTRATORS

Each regional association should provide support to the training mission of the National Association of Student Financial Aid Administrators through budget training workshops in connection with regional meetings and by providing expertise to assist the state associations in their mission of implementing the training.

C. STATE ASSOCIATIONS OF STUDENT FINANCIAL AID ADMINISTRATORS

The primary responsibility of the state associations is to serve as the major vehicle for the delivery of the training program. It must also identify qualified financial aid administrators having ability to serve as trainers in the program and should include student budget workshops as a part of state association meetings.

D. GOVERNMENTAL AND OUTSIDE AGENCIES

Governmental and outside agencies should support the training program at all levels by providing requested leadership and training assistance, supplying materials for use in training and by assisting with funding the cost of such training.

E. INSTITUTIONS

Institutions, too, have a responsibility to the training program in that they should ensure that the institutional staff for whom such training is applicable are provided the opportunity to undergo the training program in order that they may have the necessary proficiency in the areas of student budget preparation and administration.

F. INDIVIDUAL AID ADMINISTRATORS

Each student financial aid administrator has the responsibility to undergo training in the preparation and administration of student budgets and to support the training program efforts of the profession.

B03. PROCEDURES AND METHODS FOR TRAINING

Training may be accomplished for the nation coordinated by the National Association of Student Financial Aid Administrators and in cooperation with those individuals and groups presented above.

The National Association's Commission on Training should develop the philosophy under which training will occur and should develop those training materials necessary to implement a comprehensive training program. This program should be designed to initially saturate the nation's student financial aid community and other interested individuals. The Commission on Training should accomplish this by the development of state training teams to perform the training in each state.

Special efforts should be made by all regional and state associations to utilize the available training teams' expertise to present budget workshops at conferences, associations' meetings and the meetings of other interested professional groups. Training in student expense budget preparation should also be included in any related training sessions such as the Basic Educational Opportunity Grant workshops or workshops held on the subject of campus-based programs of student aid.

As a means of facilitating training for individuals who are unable to attend group instruction in student expense budget preparation, comprehensive programmed learning materials should be developed by the Commission on Training and made available to regions and states as may be required. Such programmed learning materials should be prepared by professional student financial aid administrators and should not be administrative manuals, as such.

The Commission on Training also should consider the use of certificates of completion for individuals participating in training workshops as well as other possible methods of recognizing participants such as adopting the Continuing Education Unit (CEU) method of recognition. To ensure the continuation of adequate training, the Commission on Training may also wish to consider the establishment of full credit courses in the traditional higher educational institutions. Further, consideration should be given to the development of advanced training programs, going beyond the initial basic issues of budget construction, which might treat the broader ramifications of student budgets and their impact on institutions, programs and students.

A. TEACHING METHODS

Training teams should draw upon many types of teaching methods in order to adequately present the content of the student expense budget training program. Such teaching methods might include, but are not limited to, lectures, group presentations, role playing, seminars, panel discussions and practicums.

B. MATERIALS

In preparing the materials to accomplish the training program, it is recommended that the Commission on Training consider such materials as a syllabus, case studies, audio-visual aids to include slides, tapes, etc., bibliographies, program manuals, auxiliary texts, lists of resource personnel and programmed learning materials.

B04. TIME FRAME FOR TRAINING

During the first year when budgets are being substantiated, the Commission on Training should strive for initial training in student expense budget preparation designed to reach the total financial aid community as quickly as such training can be implemented. Therefore, it is recommended that the Commission on Training plan to train state trainers upon the publication of this Handbook or as soon thereafter as is possible with the training of the nation's student financial aid administrators taking place in connection with the tripartite application workshops and/or state association meetings.

Presuming that student budgets will be an evolutionary process, continued training efforts will be necessary to provide at least an annual review and update. Also, continued provision must be made for the training in student budget preparation of new members of the financial aid community, as well as other interested individuals. To accomplish the necessary continued training, it is suggested that the Commission on Training develop a student budget manual as a comprehensive text on the subject which is supplemented by programmed learning material. It should be the responsibility of the national, regional and state associations of student financial aid administrators to include student budget discussions in their annual meetings, especially in any training sessions sponsored. Corollary to the associations' efforts should be similar training activity offered by the service agencies providing need analysis service where student budget discussions, conducted by qualified trainers using the materials supplied by the Commission on Training, could be incorporated into the discussions of need analysis which are regularly sponsored by such service agencies.

B05. WHERE TRAINING SHOULD OCCUR

The initial training of state budget trainers should take place on a national level sponsored by the National Association of Student Financial Aid Administrators and conducted by that association's Commission on Training. Formal training sessions should be conducted at the state level in order to more closely align with the need to adapt student budgets to local requirements. The training that takes place at the state level should be done utilizing those individuals trained in student budget preparation as state trainers presenting the standard training materials and methods developed by the National Association's Commission on Training.

B06. SUGGESTED CURRICULUM

The training program to prepare individuals for student expense budget preparation should include, but should not necessarily be limited to, the following curriculum:

1. History of Student Expense Budgets
    a. Role of student expense budgets in need analysis procedure
    b. Evolution of student expense budgets
        (1) Non-student aid development of student expense budgets

        (2) Institutional priorities in budget development
        (3) Office of Education concern in the development of student expense budgets
    c. Use of student expense budgets
        (1) Need analysis process
        (2) Determination of amount of student awards
        (3) Application for federal funds
        (4) Student information
        (5) Role of student expense budgets in institutional financing

2. Philosophy of Student Budgets
    a. Purpose of student expense budgets
        (1) Helping to assure educational access and choice
        (2) Equitable distribution of student aid dollars
    b. Importance of student expense budgets in the need analysis process
    c. Economic theory in the development of student budgets

3. Collection of Data for the Preparation of Student Expense Budgets
    a. Method of collection of information from students
        (1) Student surveys
        (2) Diaries
        (3) Personal interviews
        (4) Institutional forms

   b. Comparison of data with that collected by outside agencies
      (1) Regional and local information
      (2) Bureau of Labor Statistics
      (3) Need analysis services
   c. Verification of student budget data

4. Explanation of Components of Student Expense Budgets

5. Expense Budgets for Various Types of Students

6. Use of Standardized and Individualized Expense Budgets
   a. Necessity for flexible student budgets
   b. Sensitivity of budgets to individual needs

7. Budget Construction
   a. Adaptation of expense data to institutional budgets
   b. Adjustments of student budgets as individual circumstances change
   c. Periodic review and revision of student budgets

8. Dissemination of Budget Information
   a. Compliance with student consumer information requirements
      (1) To student and parents
      (2) To the general public
      (3) To secondary school personnel
      (4) Within the institution
   b. Methods of distribution of budget information
      (1) Publications
         (a) institutional brochures, catalogs, etc.

(b) agency publications

(c) material from professional associations

(2) News media

(3) Conferences with students

c. Schedule of student budget information distribution

d. Use of budget information within the institution

10. Implications of the Student Expense Budget

a. For the student

b. For institutional financing

c. Pressure from Office of Education

d. Pressures from within institution

B07. SUMMARY

It is important that all persons involved with the administration of student financial aid programs undergo the training described in this appendix in an effort to ensure that a common philosophy of student expense budget preparation is operative nationally. Though student expense budget preparation is considered to be a responsibility of the individual postsecondary institution, common methodology and uniform application of that methodology should be the primary goal of training in the preparation of student expense budgets.

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